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IAEA-DPRK Talks on Nuclear Issue Reported

1st Contact 'Very Productive'

SK0701231094 Seoul KBS-1 Radio Network in Korean 2200 GMT 7 Jan 94

[By correspondent Cha Man-sun from Vienna]

[Text] The International Atomic Energy Agency [IAEA] held the first official contact with North Korea in Vienna, Austria, this morning and discussed the issue of resuming the inspections of the seven nuclear facilities North Korea had reported to the IAEA but a conclusion has not been reached.

The three North Korean representatives, including Yun Ho-chin, counselor of the North Korean Embassy in Vienna, visited the IAEA at 0000 this morning, Korean time, and delivered North Korea's official message containing its will [uisa] to accept overall inspections [chonmyon sachal]. Then, the North Korean representatives held the first official working-level contact with (Belcos), director of the IAEA Inspection Department, and negotiated working-level problems regarding the resumption of inspections of the reported seven nuclear facilities for two hours.

After the working-level negotiations, North Korean representatives revealed in an interview with KBS that even though the two sides have failed to reach an agreement, they held very productive negotiations.

Counselor Yun Ho-chin, North Korea's representative, said that during the official contact the two sides discussed their opinions regarding the resumption of inspections and shared opinions to settle the points at issue through negotiations so that inspections may be smoothly conducted. He said they agreed to meet once again early next week.

Disagreement on Issues Noted

SK0801002194 Seoul YONHAP in English 0010 GMT 8 Jan 94

[Text] Berlin, Jan. 7 (YONHAP)—The International Atomic Energy Agency (IAEA) held its first official working-level contact with North Korea in Vienna on Friday on inspection of North Korean nuclear facilities, the IAEA announced.

The meeting was attended by Yun Ho-chin, a councilor at the North Korean Embassy in Vienna, and two other North Korean diplomats and by inspectors at IAEA Headquarters. The meeting lasted for two hours from 4 in the afternoon, it said.

"There had been the working-level contact (between North Korea and the IAEA) on problems related to inspection of North Korea's reported nuclear facilities," IAEA spokesman Hans Meyer said. "The two sides agreed to continue their contact early next week."

It has been reported that the two sides agreed in principle that they will resolve problems related to inspection activities through negotiation.

Sources said the North Korean officials conveyed Pyongyang's official position but the two sides could not reach any agreement on the scope and number of inspections or on the size of the inspection team and date of its visit to North Korea.

One North Korean official described Friday's meeting as "very productive," however, and said that there are some items left for further discussion and the two sides have decided to solve the problems, according to an IAEA official.

Fuel Rod Sample Extraction Rejected

SK0801015894 Seoul YONHAP in English 0148 GMT 8 Jan 94

[Text] Tokyo, Jan. 8 (YONHAP)—North Korea has accepted U.S. demands to allow the International Atomic Energy Agency (IAEA) to inspect its nuclear sites in principle, but with the proviso that the IAEA inspectors do not take samples of the fuel rods, the ASAHI SHIMBUN reported Saturday.

The IAEA is going to consult with North Korea on details of the inspection soon, and the United States is trying to persuade it to allow the third round of U.S.-North Korea high-level talks to make a decision on the issue of taking samples, the daily newspaper quoted a South Korean Government source as saying.

North Korea said that, of its seven declared nuclear installations, it would rather not allow inspections of the 5,000 kilowatt experimental reactor and radiochemical laboratory, according to the paper.

Pyongyang has insisted that it would never allow the inspectors to take samples from fuel rods, a process that is indispensable to measuring of the amount of plutonium that has been extracted.

The United States agreed to discuss the sample problem and special inspections of two undeclared sites in the high-level talks, the paper said.

At an inspection in 1992, the IAEA asked North Korea for fuel rod samples but was rebuffed.

"We had not prepared to halt our experimental reactors," they were told. "The crane to pull up the fuel rods is out of order."

With the North Korean condition, the IAEA is dissatisfied with the inspection, but the United States is persuading it that it is more important to solve the North Korean nuclear problem through dialogue, the ASAHI said.

'Several More Meetings' Needed

SK1001020994 Seoul YONHAP in English 0159 GMT 10 Jan 94

[Text] Vienna, Jan. 9 (YONHAP)—The International Atomic Energy Agency (IAEA) and North Korea, which had a working-level contact Friday, will need several more meetings to reach an accord on full-scope inspections of North Korea's seven declared nuclear sites.

One of these meetings will be early this week, possibly on Monday, an IAEA official said Sunday on condition of anonymity.

In Friday's meeting, North Korea said it would open just five of its nuclear facilities to IAEA inspectors. This was a reversal of the agreement reached in principle late last year with the United States on full inspections of all seven declared sites.

It is also a far cry from the IAEA demand for inclusion in the full-scope inspections of what are seen by the IAEA as two key facilities, a radiochemical laboratory (virtually a nuclear fuel reprocessing facility) and a 5-megawatt reactor, the official said.

The difference will be discussed in future meetings, in which inspection of the two key facilities will be a key issue along with the timing of the inspections and strength of the inspection team.

2d Official Working-Level Contact Held

SK1001123494 Seoul YONHAP in English 1201 GMT 10 Jan 94

[Text] Vienna, Jan. 10 (YONHAP)—North Korea and the International Atomic Energy Agency (IAEA) on Monday morning (local time) opened the second official working-level contact on matters related to IAEA inspection of North Korean nuclear facilities.

IAEA spokesman Hans Meyer said that at the meeting, the IAEA produced to North Korea technical requirements related to nuclear inspections.

Meyer said the contact was going on between the two sides, and he could not discuss any details.

He added, however, he expects additional talks could take place this week on the inspection of the seven declared North Korean nuclear facilities.

Another IAEA spokesman, David Kyd, said he doesn't believe there would be any immediate progress over the question of inspecting two undeclared facilities.

North Korea was represented at the second contact held at the IAEA headquarters here in Vienna by Yun Ho-chin, a councilor at the North Korean embassy in Vienna, and a couple of other diplomats.

Speculation on U.S., ROK Action After Inspection

SK1001082394 Seoul YONHAP in English 0801 GMT 10 Jan 94

[Text] Seoul, Jan. 10 (YONHAP)—The International Atomic Energy Agency (IAEA) is expected to wind up working-level negotiations on inspections of North Korean nuclear sites in a day or two and dispatch a team of inspectors to Pyongyang, a source said Monday.

The source quoted Vice Unification Minister Song Yong-tae as telling members of a National Assembly committee that when the IAEA team arrives in Pyongyang, South and North Korea and the United States will simultaneously announce their positions on three issues.

Song explained the government position on the process and prospects of Pyongyang-Washington negotiations to members of the National Assembly Foreign Affairs and National Unification Committee in a meeting at the Federation of the Korean Industries, said the source who attended the meeting.

The three issues are inter-Korean exchange of special envoys, suspension of the "Team Spirit" joint South Korea-U.S. military exercise, and high-level talks between Pyongyang and Washington.

What the three countries will say about the issues has not been decided, and Washington seems unsure of Pyongyang's negotiating posture, a second source who also attended the meeting said.

When the IAEA inspectors arrive in Pyongyang, North Korea is expected to announce that it has decided to resume inter-Korean talks and is willing to open working-level contacts with the South to discuss mutual nuclear inspections based on the South-North nonnuclear declaration, he quoted National Unification Board officials as saying.

Seoul will announce that it is willing to suspend Team Spirit, while Washington will announce that it will hold a third round of high-level talks with Pyongyang on condition of the IAEA nuclear inspection and progress in inter-Korean talks.

An opposition Democratic Party lawmaker said: "I've heard that even if the government announces suspension of Team Spirit, it will make the final decision on when to suspend it after watching progress in inter-Korean talks and settlement of the North Korean nuclear problem."

Japan

'Little Progress' Reported in Framework Talks

OW0801030094 Tokyo KYODO in English 0238 GMT 8 Jan 94

[Text] Washington, Jan. 7 KYODO—Trade negotiators from Japan and the United States wound up two days of framework trade talks Friday [7 January] on the Japanese Government's purchase of medical equipment, but reported little progress.

Japanese officials who participated in the negotiations said the two sides spent an "endless" length of time exchanging ideas on drawing up a mutually acceptable draft, but said no agreement is in sight.

A major sticking point that has bogged down a series of working-level negotiations that began last September is a U.S. demand for numerical benchmarks to measure import penetration in Japanese markets.

"There was no progress in this area," a Japanese official said.

Medical equipment procurement is one of four priority market sectors under the Japan-U.S. framework trade accord concluded last July.

The two governments have promised to come up with an agreement by the time Japanese Prime Minister Morihiro Hosokawa meets with President Bill Clinton in Washington on February 11.

Japanese officials said the two sides plan to meet again to discuss medical equipment procurement, but no date has been set.

Trade negotiators from the two countries are scheduled to hold talks in Japan next week on the insurance and automobile markets.

Neither Japanese nor U.S. officials appear optimistic of an early breakthrough.

"There was no movement at all on the quantitative and qualitative indicators," a senior U.S. trade official said Friday of the telecommunications framework negotiations.

U.S. officials say Washington wants to introduce a multiple set of yardsticks to peg import penetration in Japan to the other industrial countries.

Japanese officials have rejected the U.S. proposal, saying Japan cannot accept any criteria that "smack of market share."

The framework talks were only one set of trade negotiations that took place in Washington between Japan and the U.S. on Friday.

While Japanese and U.S. negotiators huddled at the Commerce Department over medical technology, another group of officials met at the U.S. Trade Representative's Office to review the purchase of foreign telecommunications equipment by Nippon Telegraph and Telephone Corp. [NTT].

A senior U.S. trade official who spoke to Japanese reporters following the NTT session said while Washington is pleased with the progress in the amount of foreign equipment purchased by NTT in recent years, the U.S. feels the foreign share "should be significantly higher."

According to Japanese figures, the amount of telecom equipment purchased by NTT from foreign suppliers increased to 100 billion yen in fiscal 1992 from 80 billion yen in fiscal 1991.

Japanese officials said the foreign suppliers accounted for 14 percent of the high-tech equipment sourced by NTT in fiscal 1992, compared with 11 percent in fiscal 1991.

Vice Foreign Minister on Prospects for Talks

OW1001105994 Tokyo KYODO in English 1044 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—Vice Foreign Minister Kunihiko Saito denied reports Monday [10 January] that Japan is pessimistic about the prospects for framework trade talks with the United States.

Saito told a press conference that it is "clearly a misunderstanding" to assume that Japan has lost its drive in the trade talks.

He pointed out that there is still a month before February 11 when Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton meet in Washington.

Japan and the United States have promised to come up with an agreement on the bilateral framework trade talks by then.

Little progress has been reported so far on the talks, which is being held under the Japan-U.S. trade framework accord concluded last July.

Saito also said the trade negotiations are "two-way talks" and are not aimed at having Japan alone make concessions.

He said there are various points where the United States should compromise and called for Washington's continued efforts to boost its competition and to reduce its financial deficit.

Specifically, Saito urged some U.S. states to further open their markets to foreign companies and businesses, saying markets in some of the U.S. states are "not as open as some foreign countries desire" because of the difference in systems from state to state.

Tokyo, Washington 'Widely Divided' on Auto Issue

OW0801091794 Tokyo KYODO in English 0907 GMT 8 Jan 94

[Text] Tokyo, Jan. 8 KYODO—Japan and the United States remain widely divided on automobile trade as they were prepared to start negotiations on the issue next week, Japanese Government officials said Saturday [8 January].

The four-day subcabinet-level negotiations will begin in Tokyo on Tuesday under an agreement to work out a new framework for bilateral trade.

The officials said Washington insists on a tough stand concerning auto and auto parts trade, pressing Japan to make further concessions to open its automobile market wider to imports.

The negotiations will focus on a U.S. demand that Japan set a numerical target for imports of U.S.-built cars and parts, they said.

In previous sessions of the talks, the United States proposed that the Japanese Government ask Japanese automakers to extend their programs for imports of U.S.-made auto parts beyond fiscal 1995 and that the Japanese and U.S. Governments work out rough measures setting the value of Japanese imports of finished cars and parts from the United States in the future.

Sluggish automobile sales at home and overseas have made it difficult for the Japanese auto industry to compromise on the U.S. stance, the officials said.

They said Washington will find it equally difficult to back down on its stand as automobile trade accounts for a large portion of its trade deficit with Japan.

The officials said the negotiations may drag on toward a February 11 summit between Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton.

MITI To Lift Restraints on Auto Exports to U.S.

OW0801014594 Tokyo KYODO in English 0127 GMT 8 Jan 94

[Text] Tokyo, Jan. 8 KYODO—Japan plans to stop its self-imposed quota on passenger car exports to the United States after the fiscal 1993 quota expires March 31, government sources said Saturday [8 January].

The export quota, first imposed in fiscal 1981 amid growing friction between Japan and the U.S. over auto trade, is set at 1.65 million vehicles for fiscal 1993.

But since fiscal 1987, Japan's car exports to the U.S. has fallen short of the quota, as Japanese automakers were boosting production at U.S. plants.

The Ministry of International Trade and Industry is to make a final decision on whether to eliminate the voluntary restraint after consulting with domestic automakers and reviewing ongoing bilateral trade talks on autos and auto parts, the sources said.

As the "Big Three" U.S. automakers are regaining the competitive edge from the Japanese, their executives have voiced support for scrapping the export quota, despite stalled bilateral talks on auto and auto parts trade.

Under the so-called framework negotiations, Tokyo and Washington remain at odds over the numerical targets demanded by Washington, but rejected by Tokyo, to measure progress in market opening.

Tokyo To Unveil Plan To Open Construction Market

OW0801075494 Tokyo KYODO in English 0736 GMT 8 Jan 94

[Text] Tokyo, Jan. 8 KYODO—The Japanese Government plans to introduce a new action program designed to open its construction market to foreign bidders at informal negotiations with the United States in Tokyo next week, officials said Saturday [8 January].

The government officials said the program, featuring improvement of a bidding system for public works projects, is aimed at dodging possible U.S. retaliatory action against Japan.

Japan hopes to wind up the talks successfully by the end of next week, they said.

The U.S. has threatened to take retaliatory action against Japan unless the negotiations produce satisfactory results by the January 20 deadline.

The negotiations, which will open Tuesday at the earliest, will focus on a foreign share of the Japanese construction market and foreign access to 40 large-scale projects, which have been opened to U.S. contractors as a special step, the officials said.

The program will allow foreign contractors to participate in tenders for national projects valued at 4.5 million special drawing rights (about 850 million yen under the official exchange rate) or more and for projects valued at 15 million SDRs (2.85 billion yen) or more to be undertaken by local governments or public corporations, they said.

Japan will also offer to improve the process for reviewing the qualifications of foreign bidders in order to boost foreign access to the domestic construction market, they said.

Standard rules agreed on at the recently concluded world trade negotiations under the General Agreement on Tariffs and Trade will be applied, they said.

Ministers Discuss Plan

OW1001114694 Tokyo KYODO in English 1126 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—Four cabinet ministers compared notes Monday [10 January] on a fresh action program to open Japan's large-scale public works projects to foreign bidders, Deputy Chief Cabinet Secretary Nobuo Ishihara said.

The ministers confirmed that the action plan should be designed to boost transparency, objectivity and free competition in Japan's construction market and secure greater foreign access, Ishihara said.

They were Foreign Minister Tsutomu Hata, Construction Minister Kozo Igarashi, Home Affairs Minister Kanju Sato and Chief Cabinet Secretary Masayoshi Takemura.

The 20-minute meeting was in line with Prime Minister Morihiro Hosokawa's instruction on October 22 to hammer out an action program in early 1994 to open Japan's construction market to foreign firms.

The government issued an outline of the scheme to improve its public works bidding systems on October 26 to avert U.S. punitive actions against Japan.

Ishihara told a news conference the government hopes to thrash out details of the action program by around mid-January.

He denied, however, that the timetable has anything to do with the January 20 deadline for U.S. sanctions against Japan over construction procurement practices.

"It is not that we are working out an action plan in the face of threatened sanctions but at our own volition," Ishihara said.

The United States has threatened to impose sanctions if Japan fails to take steps to increase the openness of its construction market and secure greater foreign access by January 20, an extended deadline from the original October 31.

Ishihara also said that all cabinet ministers, except Sadao Yamahana who is in charge of political reform, will meet prior to a regular cabinet session on Tuesday morning to exchange views on the planned action program.

At the meeting, Ishihara said, Hosokawa will explain the outcome of Monday's talks and seek cooperation from the ministers.

He revealed that ministers did not discuss the value of projects undertaken by national and local governments, or by public corporations, for which foreign contractors will be allowed to participate in tenders.

The four ministers also did not talk about a possible halt to preferential treatment for U.S. construction firms in bidding for Japan's major public works projects, the deputy chief cabinet secretary said.

Igarashi, the construction minister, has said Tokyo may stop such preferential treatment for U.S. firms in return for the introduction of an open bidding system.

U.S. construction firms have received work on 34 Japanese projects worth a total of nearly 100 billion yen, including New Kansai International Airport near Osaka, western Japan, since the two governments agreed on the idea in 1988.

Main Points of Draft 'Action Program'

OW1001133394 Tokyo KYODO in English 1310 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—Following are the main points of a draft action program on improving access to Japan's construction market for foreigners obtained Monday [10 January] by KYODO NEWS SERVICE:

—Transparency and competitiveness in bidding for public works projects should be boosted. The principle of nondiscrimination against foreigners should be implemented thoroughly.

—Steps specified in the action program will be carried out starting in fiscal 1994, which begins on April 1.

—Public works projects valued at more than specified sums should be put to open bidding.

—Documents on bidding should be published in English as well as in Japanese.

—New guidelines on bidding for public works will be drafted by around this summer.

Hosokawa, UK's Heseltine Agree on Deregulation

OW1001080394 Tokyo KYODO in English 0750 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—Prime Minister Morihiro Hosokawa and British Secretary of State for Trade and Industry Michael Heseltine confirmed Monday [10 January] their governments' resolve to go ahead with economic deregulation, government officials said.

"It is a landmark development that Japan in line with deregulation, which has been on the agenda for years, is setting up third-party institutions," Hosokawa was quoted as telling Heseltine.

Heseltine, while stressing that Britain will continue efforts to cut back trade hampering regulations, said that compared with other European countries the British economy is in a stable condition.

Heseltine flew in from Taiwan on Sunday and will return to Britain on Tuesday.

Security Talks Planned With PRC, Russia

OW0801083894 Tokyo KYODO in English 0809 GMT 8 Jan 94

[Text] Tokyo, Jan. 8 KYODO—Defense talks between Japan and China will be held in Beijing in late February as part of confidence-building measures, government sources said Saturday [8 January].

In addition, the sources said, representatives of the agency and the Russian Defense Ministry will meet in Tokyo in early February for a second round of official consultations on security matters following a similar meeting in Moscow in June 1992.

The working-level talks with China, which will be attended by defense officials and ranking members of the Self-Defense Forces and the Chinese People's Liberation Army, are the first since the visit of China's defense minister in 1984.

Following a trip to China by then Defense Agency Chief Yuko Kurihara in 1987, regular working-level defense talks were envisaged, but the plans were suspended after Beijing's military crackdown on pro-democracy demonstrators at the Tiananmen Square in June 1989.

Tokyo, however, decided to go ahead with the original project after Washington and Beijing resumed defense talks with the visit of a senior Pentagon official to China last autumn, the sources said.

The defense talks come at a time of allegations that China's long-time ally North Korea is pursuing a nuclear weapons development program.

"Through dialogue with other countries such as China and Russia, we aim not only at fostering mutual understanding, but also at making sure that Japan has a say concerning North Korea's alleged nuclear development," a Defense Agency source said.

The talks also reflect the agency's efforts to launch a broader security dialogue with Asian neighbors to revise outdated Cold War defense patterns, the sources said.

Defense consultations with Russia will therefore focus on security guarantees and be upgraded to section chief level, the sources said.

In line with more active military exchanges to build trust in the Asia-Pacific region, Japan will see the first ever visit by an incumbent South Korean defense minister at the end of March, the sources said.

Hata Leaves for Two-Day Visit to PRC 8 Jan

OW0801023494 Tokyo KYODO in English 0224 GMT 8 Jan 94

[Text] Narita, Chiba Pref., Jan. 8 KYODO—Japanese Foreign Minister Tsutomu Hata left for Beijing on Saturday morning [8 January] for a two-day visit to China for talks with Chinese leaders.

Hata, who is also deputy prime minister, is scheduled to have separate talks later in the day with Chinese Foreign Minister Qian Qichen and Premier Li Peng. Hata will meet President and Communist Party General Secretary Jiang Zemin on Sunday before returning to Tokyo later the same day.

Talks between Hata and Qian, who met twice last year—in New York in late September and in Seattle in November—will cover bilateral and international affairs, according to Foreign Ministry officials.

The two foreign ministers will discuss the situation on the Korean peninsula as well as problems concerning North Korea's suspected development of nuclear weapons, the officials said.

Japan is likely to call on China to urge Pyongyang to accept international inspections of its nuclear facilities, since Beijing has the "largest official channel" with Pyongyang, they said.

Shipbuilders 'Worried' About ROK Expansion

OW1001064794 Tokyo KYODO in English 0604 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—Japanese shipbuilders are worried that the capacity expansion by South Korean shipbuilders could spark a global discount race for new orders, industry sources said Monday [10 January].

The sources said the Japanese industry plans to raise the issue at high-level negotiations in Tokyo in March with its South Korean officials.

They said the South Korea's Hyundai group conglomerate plans to complete a new facility for construction of large-sized oil tankers by 1995.

Samsung, another industrial giant, reportedly is set to start construction of a large-scale dockyard this month, they said.

South Korean shipbuilders apparently are trying to strengthen their position as the world's leading shipbuilding nation by capitalizing on a slump in the Japanese shipbuilding industry resulting from the yen's appreciation, they said.

The South Korean shipbuilding industry received a record high of new shipbuilding orders aggregating 9.52 million gross tons in 1993, replacing Japan as the world's leading shipbuilder for the first time.

The sources said that Japanese shipbuilders have refrained from expanding their production capacity because of a global surplus.

UN's Akashi Urges Tokyo Aid in Ex-Yugoslavia

OW0901044094 Tokyo KYODO in English 0349 GMT 9 Jan 94

[Text] Zagreb, Yugoslavia, Jan. 9 KYODO—Yasushi Akashi, the Japanese national who heads peacekeeping operations in former Yugoslavia, asked Saturday [8 January] if Japan could send personnel to the United Nations mission in the region, a Japanese delegation said.

The head of the U.N. Protection Force (UNPROFOR) in former Yugoslavia suggested parts of Macedonia and Croatia as sites for Japan's possible participation.

Akashi made the request during a meeting with an 11-member fact-finding mission which arrived in the Croatian capital of Zagreb from Japan earlier in the day, officials said.

He did not specify if he sought military or civilian peacekeepers. The Japanese team did not give an immediate response, the officials said.

Akashi told the delegation that the situation is relatively stable in parts of Macedonia and Croatia.

He noted that some Asian states like Nepal and Malaysia are joining the U.N. Protection Force in former Yugoslavia.

In an interview with Fuji TV of Tokyo, delegation head Shunji Yanai said Akashi did not ask Japan to send peacekeepers to the Balkan region.

Yanai, speaking by telephone from Zagreb, said Akashi merely told the team that he hopes Japan will positively engage in a personnel contribution.

Yanai told Fuji's news report 2001 program that Akashi did not specify if the contribution meant dispatch of peacekeepers or sending medical or communication teams.

The Japanese delegation left Tokyo on Friday and arrived in Zagreb on Saturday via Amsterdam and Vienna. Members are there to study possible roles for Japan in the U.N. operation. They will stay in former Yugoslavia through January 16, visiting Croatia, Bosnia-Herzegovina, Macedonia and the new Yugoslavia. The mission returns home January 16.

Yanai, head of the Foreign Ministry's Foreign Policy Bureau, played a key role in realizing Japan's legislation in June 1992 on cooperation in U.N. peacekeeping missions. He was then director general of the ministry's Treaties Bureau which supervises treaties and laws under its jurisdiction.

Under the U.N. Peace Cooperation Law, Japan sent two 600-member engineering teams in rotation from the Self-Defense Forces (SDF) to join U.N. operations in Cambodia between the fall of 1992 and the fall of 1993. A smaller SDF transportation support team is helping a U.S. peacekeeping mission in Mozambique.

Tokyo Seeks To Enhance Ties With NATO

OW0801074194 Tokyo KYODO in English 0632 GMT 8 Jan 94

[Text] Tokyo, Jan. 8 KYODO—Strengthening ties with the North Atlantic Treaty Organization (NATO) is becoming a major task for Japan's diplomacy, Foreign Ministry officials said Saturday [8 January].

The Foreign Ministry aims to boost Japan's ties with NATO this year by cosponsoring a seminar in Europe and hosting a high-level political and security dialogue in Tokyo, they said.

Japan's increasing interest in ties with NATO reflects concern over the strong showing of nationalists in Russia's recent elections, the problem of control over nuclear weapons in Ukraine, and other uncertainties in the political situation of the former Soviet Union.

The officials said the two forums will focus particularly on the unstable situation in Russia, which is the most crucial issue commonly facing Japan and NATO.

In addition, Foreign Minister Tsutomu Hata is expected to reschedule his postponed trip to NATO headquarters in Brussels for July, just prior to the annual summit that month of the Group of Seven (G-7) industrialized nations in Naples.

Hata was originally scheduled to make the visit this month, but postponed it due to the extension of the current Diet session.

Japan has also begun participating in meetings of the Conference on Security and Cooperation in Europe (CSCE) with a special status short of full membership.

The officials said closer ties with such European bodies, in addition to expanding opportunity for dialogue on issues of mutual concern, will be of benefit to Japan as it considers how to enlarge its contribution to international efforts now under way in the former Yugoslavia.

Spanish Foreign Minister To Visit 14-16 Jan

OW1001074894 Tokyo KYODO in English 0712 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—Spanish Foreign Minister Javier Solana Madariaga will visit Japan from Friday to Sunday on the first leg of an Asian tour that will also take him to South Korea, Thailand and Malaysia, Foreign Ministry officials said Monday [8 January].

Solana, 51, will hold talks with his Japanese counterpart Tsutomu Hata on developments in Europe and the Asia-Pacific region, the officials said.

He will leave for South Korea on Sunday.

BOJ Chief Leaves for BIS Meeting 8 Jan

OW0801045494 Tokyo KYODO in English 0354 GMT 8 Jan 94

[Text] Tokyo, Jan. 8 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno left here for Europe on Saturday morning [8 January] to attend a monthly meeting of the Bank for International Settlements in Basel, Switzerland.

The central bank governor will also visit Germany before returning home Wednesday, according to BOJ officials.

Tokyo Provides Grant for Landslide Control Group

OW0801045794 Tokyo KYODO in English 0322 GMT 8 Jan 94

[Text] Kathmandu, Jan. 8 KYODO—Japan announced a grant of 100,000 dollars here Saturday [8 January] to support the activities of the International Center for Integrated Mountain Development.

The grant will be utilized for management and control of landslide hazards, the Japanese Embassy said in a press release.

Earlier, Japan sent three experts to the center headquartered in Kathmandu.

Set up in 1983 through the joint efforts of Germany, Switzerland, Nepal and the United Nations Educational, Scientific and Cultural Organization (UNESCO), the center deals with issues of economic development and conservation of the environment in the Hindu-Kush and Himalayan region.

The region covers Afghanistan, Bangladesh, Bhutan, China, India, Myanmar [Burma], Nepal and Pakistan.

Boat Believed Carrying Vietnamese Spotted Near Okinawa

OW1001000494 Tokyo KYODO in English 2304 GMT 9 Jan 94

[Text] Naha, Jan. 10 KYODO—A small wooden boat carrying 21 people believed to be Vietnamese was spotted Sunday [9 December] afternoon by a Japanese fishing vessel some 84 kilometers southwest of Cape Kiyan in Itoman on Okinawa Island, local maritime officials said.

A Maritime Safety Agency patrol boat confirmed the same day that the five-ton craft, adrift in international waters in the East China Sea, is carrying 21 people, including women.

A patrol boat will inspect the boat when it enters Japanese territorial waters, the officials said.

It was the first time this year a boat reportedly carrying refugees was spotted in the vicinity of Okinawa, they said.

Discolored Rice Found in Thai Shipment

OW1001074394 Tokyo KYODO in English 0714 GMT 10 Jan 94

[Text] Hakodate, Hokkaido, Jan. 10 KYODO—Grains of rice which may have been discolored by mold have been found in an emergency shipment of rice from Thailand, Hokkaido Prefectural Government officials said Monday [10 January].

The discolored rice was discovered in a 5,775-ton shipment of long-grain rice for food processing that arrived from Bangkok at Hakodate Port on January 1.

Inspectors found the discolored rice in some of the 50-kilogram bags that are being unloaded from a Panamanian-registered freighter. A total of 1,400 tons of the rice had been unloaded through Sunday.

The Hakodate Bureau of the Hokkaido Food Office was not certain if the discolored rice was like that when it left Thailand or if it became discolored during the trip to Japan.

The officials said that the rice was not discolored by the kind of mold caused by condensation that was found in imported rice from Thailand at the port of Maizuru, Kyoto Prefecture last month.

Hearing on Political Reform Set for 17 Jan

OW1001092494 Tokyo KYODO in English 0842 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—The special committee on political reform of the House of Councillors voted Monday [10 January] to set a public hearing for government-proposed political reform bills for January 17.

A bill can be put to the vote at a Diet committee after the public hearing is concluded.

The four political reform bills that Prime Minister Morihiro Hosokawa has vowed to enact during the current Diet session, which ends January 29, are pending before the upper house after being passed by the House of Representatives in mid-November.

MITI To Stop Promotion of Would-Be Politicians

OW1001083294 Tokyo KYODO in English 0730 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—The Ministry of International Trade and Industry (MITI) will stop the controversial practice of promoting officials who are about to quit government service to run in elections, its vice minister said Monday [10 January].

The move comes shortly after a high-ranking MITI bureaucrat resigned following the trade minister's intervention in such a case.

Vice Minister Hideaki Kumano said at a press conference that the ministry will exercise impartiality in personnel changes even for officials intending to enter politics.

"We will strictly refrain from creating a new post for an official who plans to quit for elections, for example, so as not to cause suspicion of any special consideration on the assumption of transfer to the political world."

Late last December, Masahisa Naito resigned as director general of the ministry's Industrial Policy Bureau following conflict with MITI Minister hiroshi kumagai.

The minister had urged Naito to resign, saying he had shown favoritism in promoting a junior when Naito was director general at the minister's Secretariat.

Naito contended at his last press conference that he could not understand nor accept Kumagai's reasons for demanding his resignation, saying, "the promotion in question followed MITI's conventional practice."

Such promotions are regarded as boosting the curricula vitae of prospective political candidates.

Upper House To Consider Reform Bills 19 Jan

OW1001080694 Tokyo KYODO in English 0706 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—The government and the ruling coalition decided Monday [10 January] to push a set of political reform bills through the House of Councillors on January 19, Deputy Chief Cabinet Secretary Yukio Hatoyama said.

At a meeting of leaders of the government and ruling parties, Social Democratic Party Secretary General Wataru Kubo reported that the coalition parties want the reform bills to clear an upper house special panel on political reform on January 18 and the full upper chamber on January 19, Hatoyama told a news conference.

Kubo was quoted as saying the coalition parties intend to set aside January 17 for a public hearing on the government-sponsored reform measures even if the main opposition Liberal Democratic Party (LDP) opposes the idea.

Once a public hearing finishes, a bill can be put to a vote at a Diet committee.

The government approved the coalition plan to finish upper house deliberations on January 19 on political reform aimed at rooting out corruption that seems endemic to Japan's money driven political system, Hatoyama said.

The reform package is intended to introduce single-seat constituencies combined with proportional representation for lower house elections and impose stricter controls on campaign funding. The bills cleared the lower house in mid-November and are pending in the upper house.

Kubo reportedly said the coalition has no intention of beginning talks with the LDP on possible modifications of the bills unless the ruling and opposition parties agree to enactment of the bills in the current Diet session, which closes on January 29.

The government and coalition parties should wait for the LDP's move on political reform despite LDP Secretary General Yoshiro Mori's remark on Friday that the party would help pass the bills in the current Diet sitting if they were first revised.

Hiroyuki Sonoda, secretary general of Sakigake (Harbinger), and Yuichi Ichikawa, secretary general of Komeito, also called for prudence about talks with the LDP on possible amendments of the bills, saying it is still unclear whether the LDP is serious about reform, according to Hatoyama.

Chief Cabinet Secretary Masayoshi Takemura said earlier Monday that he welcomes Mori's remark, which was interpreted as suggesting a shift in the LDP's stance on political reform.

Health and Welfare Minister Keigo Ouchi said the government and the ruling coalition parties should make clear that they pay due attention to minor groupings in the Diet, Hatoyama said.

While Ichikawa voiced concern about the tight Diet schedule, Takashi Yonezawa, secretary general of the Democratic Socialist Party, expressed hope the LDP will present its plan as early as possible if it seeks modifications of the government reform bills.

Kubo also proposed that the government promise the LDP to revise the bills after they become law in a bid to secure their passage through the Diet by January 29, Hatoyama said, adding that Ichikawa expressed his personal approval of the plan.

Keidanren Chief Hiraiwa Says Yen Should Drop

OW1001095094 Tokyo KYODO in English 0933 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—The yen should decline against the dollar to reflect economic fundamentals, Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said Monday [10 January] .

Hiraiwa said at a press conference the yen's further drop will help stimulate Japan's economy, pointing out that the United States has hoped that Japan's economic recovery would also benefit the U.S. economy.

His remark was made following a comment by U.S. Treasury Secretary Lloyd Bentsen last week warning Tokyo against relying on a weaker yen.

"Allowing the yen to slide is not an acceptable way out of recession for Japan," Bentsen said.

The dollar closed in Tokyo on Monday at 111.73 yen, down 0.75 yen from last Friday.

MITI Official Sees 3-Percent Growth Potential

OW1001075094 Tokyo KYODO in English 0711 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—Japan's potential and desirable economic growth is in the lower half of the 3 percent level, a high-ranking trade ministry official said Monday [10 January].

Vice International Trade and Industry Minister Hideaki Kumano said at a press conference, "I don't think our potential to attain 3 percent level economic growth has changed so much," despite the current business conditions.

While noting cyclic factors, Kumano stressed the need for implementation of middle- and long-term policies, both macroeconomic and microeconomic, so as to realize the nation's economic potential in the 21st century.

Kumano said the recent drop in the yen's value against the U.S. dollar on foreign exchange markets was not yet enough from the viewpoint of corporate profitability.

"Companies were a bit relieved by the recent trend toward a weaker yen, but you should not be too optimistic," Kumano said.

Govermnment Plans 7 Trillion Yen Stimulus Package

OW0901070794 Tokyo KYODO in English 0700 GMT 9 Jan 94

[Text] Tokyo, Jan. 9 KYODO—The government and ruling coalition parties plan to work out a 7 trillion yen package of stimulative measures, excluding income and residential tax cuts, to lift the economy out of the doldrums, sources close to the coalition government said Sunday [9 January].

The government of Prime Minister Morihiro Hosokawa will start working on the package as early as Monday, the sources said.

The pump-priming package is expected to feature, among other things, an additional 3 trillion to 4 trillion yen in spending on public works implemented by the central and local governments.

The government will also raise the ceilings on housing loans extended by the governmental Housing Loan Corp. and on loans supplied by Japan Finance Corp. for small businesses to promote restructuring of smaller firms, the sources said.

These measures will be incorporated into a third supplementary budget for fiscal 1993 that ends March 31.

In addition, in the national budget for fiscal 1994, the government intends to ease tax burdens to reactivate real estate deals which have remained lackluster due to the bursting of bubble economy of the late 1980s.

Moreover, it will take steps to promote house purchases by consumers, they said.

On tax cuts, the sources said the government is considering implementing income and residential tax cuts of 6 trillion to 7 trillion yen retroactively from January.

The government is coordinating views with the ruling parties over ways to finance the planned tax cuts, bearing in mind the possibility of raising the 3 percent consumption tax in the future.

Late last year, Prime Minister Hosokawa came up with a six-point proposal to rev up the stagnant economy, calling for deregulation of government controls, the drafting of a 15-month budget—made up of a third supplementary budget and the fiscal 1994 budget—and taking measures to help smaller businesses and farmers.

He also proposed safeguarding jobs, adding liquidity to land transactions and reducing the income tax.

On the third supplementary budget, the government is planning to boost the central government's spending on public works by 2 to 3 trillion yen and local governments' projects by 1 trillion yen, the sources said.

In the fiscal 1994 budget, the government intends to put emphasis on ways to improve the quality of life and promote scientific research.

In order to expand public works projects, it will also study the possibility of revising upward a 10-year public investment plan which calls for spending 430 trillion yen over 10 years from fiscal 1991, the sources said.

Moreover, the government will set aside an additional 500 billion to 1 trillion yen for the acquisition of land for public use and consider extending interest subsidies to local housing supply corporations to help them acquire land lots.

Other stimulative measures now being considered by the government and ruling parties include an easing of tax burdens on land acquisitions for commercial and cultural facilities, and replacements of houses.

The government is also expected to lower the consumption tax on motor vehicles from the present 4.5 percent to 3 percent in response to strong requests from the auto industry, the sources said.

In addition, it is likely to remove a special tax on business corporations and allow businesses to buy their own stock in a bid to stimulate the faltering securities market, they said.

Announcement Expected 'Around' 20 Jan

OW1001042394 Tokyo KYODO in English 0334 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—The government still intends to unveil an additional economic stimulus package around January 20 despite slow progress in talks among the ruling coalition parties on specifics, Chief Cabinet Secretary Masayoshi Takemura said Monday [10 January].

"As of today, we still intend to unveil it by around January 20," the government's top spokesman told a news conference.

He cited the talks among the ruling parties and Diet debate on political reform as potential stumbling blocks to the release of the new measures to stoke up the languishing Japanese economy.

Asked if the package will include income tax cuts, Takemura said the government will take high public expectations of such cuts into account in working out details of the pump-priming measures.

Earlier Monday, a government source predicted the government will have to delay the announcement of the additional stimulus measures beyond January 20 because of conflicting views in the coalition on whether the consumption tax, now standing at 3 percent, should be raised to finance proposed income tax cuts.

The source, speaking on condition of anonymity, said the timing of the announcement of the income tax reduction should be decided by February 11, when Prime Minister Morihiro Hosokawa is scheduled to meet U.S. President Bill Clinton in Washington.

Official Says 3d Extra Budget Schedule Undecided

OW1001091894 Tokyo KYODO in English 0902 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—The schedule for a third supplementary budget for fiscal 1993 has yet to be fixed, Vice Finance Minister Jiro Saito said Monday [10 January].

The Finance Ministry [MOF] cannot begin to formulate the budget unless a specific framework of economic stimulus measures being worked out by the Economic Planning Agency is made clear, Saito told a press conference.

The third extra budget will be formed to finance additional public works projects and other fiscal steps expected in the pump-priming package to help the Japanese economy out of the long slump.

Saito avoided comment on whether or not his ministry will allow issuance of deficit-covering government bonds to fund proposed income tax cuts.

The MOF will respect the conclusion on the matter to be made by a joint economic forum between the government and ruling coalition parties, he said.

The ministry, which had been adamant about hiking the consumption tax to offset income tax cuts and against the issuance of deficit-covering bonds, reportedly softened its stance on the issue recently.

Broader Land-Tax Exemptions Considered

OW1001093094 Tokyo KYODO in English 0847 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—Broader exemptions to the land-holding tax are being considered as a way to stimulate the stagnant economy, government sources said Monday [10 January].

The tax, introduced January 1, 1992, is aimed at curbing Japan's astronomically high land prices.

The business community has called for the tax to be scrapped or its rate of 0.3 percent to be lowered.

While refusing to accept these calls, the Finance Ministry has decided to increase the exemptions from the tax.

Points being considered are a cut in the tax burdens on holders of land which is open to the public, public parking lots or sites for urban development, the sources said.

They said the plan will substantially ease the tax burden on retailers, financial institutions, realtors and the leisure industry, which pay hefty taxes at present because much of their land is located in big cities.

Economist Urges Income Tax Cuts To Boost Economy

OW1001083594 Tokyo KYODO in English 0810 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—Income tax reductions are more effective in stimulating the economy than other fiscal measures such as boosting public works projects, a leading economist said Monday [10 January].

The squeeze on corporate earnings will end only after consumption at the household level picks up, Susumu Taketomi, chief economist at the Industrial Bank of Japan, told reporters at the Japan National Press Club.

Completion of corporate inventory adjustment, the first stage of economic recovery in the usual economic cycle, cannot take place in the absence of a recovery in personal spending, Taketomi added.

Proposed income tax cuts are expected to expand the purchasing power of consumers, he said.

Taketomi said the Japanese economy is in a crisis unprecedented since the end of World War II. It is suffering "three kinds of stagnancy"—slack corporate capital spending, falling profits and near-zero real economic growth, he said.

The current slump is different from past ones, which were overcome by cyclical economic forces, he said. "The current economy has been stalled in a big industrial adjustment wave under the heavy weight of excessive manpower and investment," he said.

"The economy has been trapped in the Bermuda triangle, an area where many shipwrecks are said to have taken place due to a water level difference between the Pacific and the Atlantic."

"Taking a great leap over this cross-section is necessary for Japan's economy to smoothly shift from high growth to stable growth," Taketomi said, noting the need not only for additional fiscal measures by the government but for more corporate efforts for industrial innovation.

Taketomi said personal consumption could pick up in Japan if pent-up demand is stimulated, for example, by the launch of new products tailored to the varying needs of consumers.

Despite the domestic recession, Japan's imports have risen recently because consumers are going for overseas products which are discounted heavily but still have a qualitative appeal.

Demand could also emerge at any time because of the need to replace major durable goods like cars and televisions, he said.

Taketomi refrained from guessing when Japan's economy will hit bottom.

He limited himself to saying that recovery in nonmanufacturing sectors such as nonbank moneylenders and real estate will only come after that of makers and is unlikely to take place in 1994.

Low productivity may stand out in nonmanufacturers when they are exposed to price-cutting competition under ongoing deregulation, he said.

Ministry May Cut Postal Insurance Stock Investment

OW1001064994 Tokyo KYODO in English 0614 GMT 10 Jan 94

[Text] Tokyo, Jan. 10 KYODO—The Ministry of Posts and Telecommunications may halve the amount of postal insurance funds invested in stocks in fiscal 1994 if it is not allowed to make such investment directly, ministry sources said Monday [10 January].

The move could affect the faltering stock market as 2 trillion yen worth of postal insurance funds are set aside for stock investment through a special account.

The special account lends such funds to the Post Office Life Insurance and Annuities Welfare Corp., which comes under the Postal Ministry's jurisdiction. The corporation in turn places the funds with trust banks for stock investment.

The Postal Ministry has been negotiating with the Finance Ministry to allow it to invest in the stock market directly through the special account because a stock market slump makes it difficult for the corporation to pay back the interest on the borrowed money without selling assets held in stocks.

The special account lends postal insurance funds to the corporation for 10 years and the corporation places the money with trust banks for five years and is required to pay the interest every year on the money borrowed before August 1992.

The postal insurance funds lent by the special account to the corporation totaled 1.4 trillion yen in fiscal 1991, 1.67 trillion yen in fiscal 1992 and 2 trillion yen in fiscal 1993.

The corporation, for its part, had losses totaling 44.6 billion yen in fiscal 1992, forcing it carry over a loss of 10.3 billion yen into fiscal 1993 although it tapped 34.3 billion yen in reserves against possible losses.

Postal life insurance is administered by the Postal Ministry and nearly 70 percent of the funds are placed with the Finance Ministry's Trust Fund Bureau as a major capital source for public works projects.

Nakamura Played 'Key Role' in Fixing Penalties

OW0801122494 Tokyo KYODO in English 1158 GMT 8 Jan 94

[Text] Tokyo, Jan. 8 KYODO—Former Construction Minister Kishiro Nakamura, who allegedly received a payment in 1992 from major construction firm Kajima Corp., played a key role in revising penalties in bid-rigging cases, informed sources said Saturday [8 January].

The Fair Trade Commission (FTC) proposed in December 1991 to raise the maximum criminal fine from 5 million yen to more than 100 million yen against firms which violated the Antimonopoly Law by bid-rigging, the sources said. The FTC was planning the revision following U.S. criticism of Japan's bidding system in the Structural Impediments Initiative talks.

Nakamura, then deputy chairman of a panel on the Antimonopoly Law in the Liberal Democratic Party (LDP), and other LDP legislators, who had close links to the construction industry, strongly opposed the FTC's plan.

Nakamura allegedly received an undeclared donation of 10 million yen in mid-January 1992 from then Kajima Vice President Shinji Kiyoyama.

The LDP legislators, including Nakamura, stopped resistance to the plan in February 1992, the sources said.

The FTC submitted its revision plan on the law raising the maximum penalty to 100 million yen in March 1992 and the LDP panel accepted the plan.

A senior member of the LDP panel said the FTC set the amount after frequent contact with Nakamura, and another member said disgraced LDP kingpin Shin Kanemaru directed the legislators to fix the amount at 100 million yen.

Meanwhile, the FTC was investigating a bid-rigging scandal involving public projects in Saitama Prefecture but in May 1992 the commission announced it would not file a criminal complaint and ordered 66 companies to stop alleged unfair business practices.

A local executive of Kajima, one of Japan's three largest general contractors, reportedly served as head of a "club" of the 66 construction companies involved in bid-rigging in the prefecture.

Industry sources said there was a possibility that the FTC gave up filing criminal complaints in exchange for fixing the maximum fine at 100 million yen. FTC sources deny such a deal.

Kiyoyama and other top Kajima executives were arrested last year over the giving of bribes to then Sendai Mayor Toru Ishii and Ibaraki Gov. Fujio Takeuchi.

Transport Ministry To Test New TSL Freighters

OW0801034794 Tokyo KYODO in English 0222 GMT 8 Jan 94

[Text] Tokyo, Jan. 8 KYODO—The Transport Ministry will test launch two prototypes of next generation ultra-high-speed freighters as soon as construction is completed, ministry sources said Saturday [8 January].

The freighters, dubbed as Techno Super Liner (TSL), which can sail at a speed of 90 kilometers per hour with a cruising range of some 1,000 kilometers, will be completed in June and March respectively, the sources said.

The two types of TSL—a hovercraft freighter and a hydrofoil freighter—will be capable of delivering 1,000-ton cargoes from Tokyo to the major islands of Hokkaido and Kyushu in half a day, they added.

The 1,590-ton prototype of the hovercraft freighter measures 70 meters by 18 meters. This is half the size of the projected freighter to be commissioned in the mid or late 1990s, they said.

The 30-ton prototype of the hydrofoil freighter measures 17 meters by 6 meters. This is one-sixth of the size of the projected freighter, to be commissioned around the same time.

The sources characterize the TSL as a cargo shinkansen bullet line that runs through the sea.

More than 10 prefectures, including Hokkaido, Aomori and Kagoshima, have already asked the ministry to designate them as major ports of call for the TSL.

The hovercraft freighter will be tested in Tokyo Bay immediately after its completion in late June.

It is now being manufactured as a joint project between the ministry, Mitsui Engineering and Shipbuilding Co., and Mitsubishi Heavy Industries Ltd., the sources said.

The hydrofoil freighter, manufactured by another ministry-commissioned group of five major shipbuilders, led by Kawasaki Heavy Industries Ltd., will be tested in Osaka Bay after its completion in late March, they said.

If the project is commercialized and there is sufficient demand for the service it would give a boost to the shipping industry, as the freighters could deliver a greater volume of cargo than trucks or planes. Both freighters cost more than 15 billion yen.

It is expected among industry circles that the completion of the two types of freighters might make it possible to deliver cargo from Tokyo to Asia's newly industrializing countries in a day or two, at one-tenth the cost charged by conventional container vessels.

North Korea

Kong Chin-tae Appointed New Vice Premier

SK0801031294 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 8 Jan 94

[Decree by the DPRK Central People's Committee]

[Text] The DPRK Central People's Committee's decree on appointing Comrade Kong Chin-tae to vice premier of the DPRK State Administration Council:

The DPRK Central People's Committee has appointed Comrade Kong Chin-tae to vice premier of the State Administration Council.

[Signed] DPRK President Kim Il-song
[Dated] 8 January 1994, Pyongyang

Kim yong-sun Said Charged With U.S. Affairs

OW1001141494 Tokyo KYODO in English 1035 GMT 10 Jan 94

[Text] Seoul, Jan. 10 KYODO—North Korea has placed a sacked official of its governing Korean Workers Party in charge of U.S. affairs, informed Western sources in seoul said Monday [10 January].

Kim Yong-sun, who was sacked as a candidate Politburo member in December, has been placed in charge of affairs with the United States, the sources said.

Kim met with U.S. Undersecretary of State Arnold Kanter in New York in January 1992 for the highest level contact ever between the two nations to discuss concerns arising from North Korea's suspected program to develop an atomic arsenal.

North Korea and the U.S. held two rounds of talks at the vice ministerial level last June and July aimed at resolving the impasse over international inspections of North Korea's suspected nuclear facilities.

Pyongyang has indicated a desire to upgrade the contacts after the third round meeting, which has not yet been held.

Kim, who has served in a number of foreign relations positions in the Workers Party and in the government over the years, was removed as a candidate Politburo member in a party reshuffle last month.

Meanwhile, the vice chairman for the party's section on reunification of the Korean peninsula, Kang Chu-il, was placed in charge of working-level affairs with South Korea, which had been directed by Kim, the sources said.

They expected little change in Pyongyang's South Korea policies in the wake of Kang's appointment.

With the recent political revival of Kim Yong-chu, the younger brother of North Korean President Kim Il-song, there have been reports that the younger Kim would have a special hand in South Korean affairs.

Spokesman: Food Shortage Reports 'Unfounded'

SK1001103394 Pyongyang KCNA in English 1013 GMT 10 Jan 94

["False Reports of U.S. and South Korean Media About 'Food Shortage' Refuted"—KCNA headline]

[Text] Pyongyang, January 10 (KCNA)—A spokesman for the DPRK State Agricultural Commission answered a question put by KCNA today concerning the rumor of "food shortage" in North Korea spread by some U.S. and South Korean media recently.

He said:

Some time ago, the Voice of America and the U.S. paper WALL STREET JOURNAL set afloat false reports that North Korea was suffering "a serious food shortage" and it was in "an extreme food crisis".

Meanwhile, South Korean press went so far as to spread the unfounded rumor that North Korea asked some one to supply rice and would send a delegation to a certain country to request an emergency food aid.

The fuss made by some U.S. and South Korean media about our "food shortage" is nothing but a dastardly farce invented with a view to tarnishing the image of the socialism of our style and covering up the reality of South Korea where agriculture now faces a catastrophic crisis due to the anti-popular agricultural policy.

Last year, the agricultural sector of our country not only completed irrigation and electrification on a high level and made an advance in mechanization and application of chemicals but reaped an unusual bumper harvest by doing farming on a scientific and technological basis as required by the chuche method of farming.

We, regarding food as a main strategic supply, have long since stored much extra rice. This was proved by the fact that when South Korea suffered flood damages, we, out of compatriotic feeling, sent to South Korea rice which had been in storage for more than four or five years. This was admitted by the South Korean authorities.

Nevertheless, U.S. and South Korean media are vociferating about the "food problem" of the North. This is aimed at slandering our socialist system and lulling the South Korean people's anti-U.S., anti-"government" sentiments which have mounted with a crop failure and rice market opening.

Solid foundations for agricultural production have been laid in our country in accordance with the theses on the socialist rural question. This always guarantees bumper crops.

If the U.S. and South Korean media want something to report about food crisis, they had better find it in the South Korean countryside suffering from bad harvest every year and crying over rice market opening. Only then, they will save their face as mass media.

KCNA Reports Seoul Student Protest at U.S. Embassy

SK0901083294 Pyongyang KCNA in English 0825 GMT 9 Jan 94

[Text] Pyongyang, January 9 (KCNA)—Some 800 students under the South Korean Federation of General Student Councils held a demonstration in front of the U.S. Embassy in Seoul Saturday [8 January] in protest against the opening of the rice market.

They occupied the road in front of the embassy and denounced the United States for forcing agro-market opening and Kim Yong-sam the puppet for his treacherous compliance, shouting "oppose America forcing market opening" and "oppose Kim Yong-sam's sycophant diplomacy".

Upset by the protests of the students, the fascist clique mobilized police to disperse the protesters by force.

U.S. Communist Party Condemns Clinton's Policy

SK0801101094 Pyongyang KCNA in English 1006 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—National Chairman of the Communist Party of the USA Gus Hall in an article published in the party's organ PEOPLE'S

WEEKLY WORLD urged all the Americans to protest Clinton's policy threatening North Korea with a nuclear preemptive strike.

In an article calling for a nuclear-free world he pointed out that the current threat to world peace comes from the US policy of nuclear aggression against North Korea.

He noted that the United States is stepping up preparations for a nuclear preemptive strike at North Korea.

Direct nuclear threat to North Korea is part of the anti-communist and anti-socialist policy pursued continuously by the United States, he said, and added: It is the same policy as the nuclear business in the old cold-war era.

Facts show that Clinton is more bellicose than his predecessors, he stated.

He branded the U.S. imperialists as the very one actually threatening world peace.

He called upon the anti-war, anti-imperialist forces to rebuild America's peace movement to conduct activities with a demand for a stop to the threat to North Korea and demand for the withdrawal of the U.S. troops from South Korea.

PRC Premier's Remarks on Nuclear Issue Cited

SK1001051294 Pyongyang KCNA in English 0501 GMT 10 Jan 94

["Chinese Premier Favors Negotiated Solution of Nuclear Problem"—KCNA headline]

[Text] Pyongyang, January 10 (KCNA)—Chinese Premier Li Peng at a talk with the Japanese foreign minister Saturday emphasized that the nuclear problem on the Korean peninsula would be resolved through negotiations, according to a XINHUA report.

Li said China supports the non-nuclear proposal and stability and peace there.

"We oppose any coercive way or embargo, which will inevitably make the problem more complicated," Li said.

Pyongyang Radio Report

SK0901235794 Pyongyang Korean Central Broadcasting Network in Korean 2120 GMT 9 Jan 94

[Text] Comrade Li Peng, premier of the PRC State Council, on 8 January held talks with the Japanese foreign minister and stressed the need to resolve the nuclear issue on the Korean peninsula through dialogue, according to XINHUA news agency.

Referring to the nuclear issue on the Korean peninsula, he pointed out: China supports the stance of realizing the denuclearization on the Korean peninsula and maintaining security and peace on the peninsula. We hope that the nuclear issue will be resolved reasonably through dialogue. We do not approve of using means of imposing pressure or sanctions since such ways can bring an adverse effect and produce discrepancy on the issue.

South Minister Trying To 'Foil' DPRK-U.S.Talks

SK0801042994 Pyongyang KCNA in English 0413 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—Yi Yong-tok, the new minister of the South Korean puppet Unification Board, at a press conference on January 5 reportedly uttered very provocative words that he "will not respond unconditionally even if the North proposes a North-South dialogue."

He meant that the South Korean puppet clique would refuse dialogue with the North by setting every conceivable condition. This clearly proved once again that they actually do not want any contact and dialogue between the North and the South but continue seeking confrontation and division, although they are loud-mouthed about dialogue and the exchange of special envoys.

The mishmash of Yi Yong-tok is grave because it came at a time when a breakthrough has been made in the solution of the nuclear issue on the Korean peninsula through DPRK-U.S. contacts and work is being done for a progress of the DPRK- U.S. talks. Yi's words are a base blast to foil the DPRK-U.S. talks at any cost and isolate and stifle the North by setting an "international cooperation system" in-motion.

Judging from this, "preconditions" for DPRK-U.S. talks cried for by the South Korean puppets are, in the final analysis, a brake on the DPRK-U.S. talks.

Still more intolerable is that he, ridiculously enough, spun out the venomous trash that "the North's human rights problem will be dealt with" and "things touching the North on the raw will be mentioned in the future".

It is preposterous for Yi Yong-tok to have cried over the North's "human rights problem", while keeping mum about the reality of South Korea riddled with human rights abuses.

Kim Yong-sam New Year's News Conference Condemned

KCNA Denounces 'Sugar-Coated Words'

SK0801045394 Pyongyang KCNA in English 0429 GMT 8 Jan 94

["Sugar-Coated Words of Hypocrite"—KCNA headline]

[Text] Pyongyang, January 8 (KCNA)—The traitor Kim Yong-sam, a puppet, called a "New Year's press conference" Thursday outlining "the orientation of the administration of the state affairs" this year, according to a radio report from Seoul.

The tirade spun out by the traitor at the "press conference" was, in a nutshell, a base rigmarole full of disgusting honeyed words to justify his towering crimes in seeking flunkeyism and treachery, fascism and violence, division and confrontation last year under the "civilian" veil, prop up the puppet regime facing a crisis of destruction caused by the already bankrupt "policy of reforms" and break the fighting spirit of the people who had risen up resolutely to overthrow the "civilian government", disillusioned with it.

Viciously taking issue with the fictitious "nuclear problem" of the North again, he wagged his tongue freely, blaring that he would make his "maximum effort for the settlement of the nuclear issue of the North".

Recent contacts between the DPRK and the U.S. opened up a prospect for the solution to the "nuclear problem" of the Korean peninsula and paved the way for a progress of the talks between the two sides. Quite upset by this, the South Korean puppets are raising such terrific outcries over the "nuclear issue" of the North in a bid to set the "international cooperation system" in-motion at any cost.

The bellicose blast of the traitor Kim Yong-sam about the "modernisation" of the puppet Army and "establishment of a security posture" shows that the puppets are virtually seeking a showdown of strength.

It is an unpardonable anti-national criminal act for the South Korean puppets to take the road of inciting North-South confrontation and aggravating the tension in the Korean peninsula, in league with outside forces, turning down the offer of fellow countrymen to open a way out for the nation through the reconciliation and unity of North and South.

Remarks in Papers Cited

SK0801104794 Pyongyang KCNA in English 1041 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—Papers here today say the traitor Kim Yong-sam's "New Year press conference" proved again that the South Korean "civilian" regime is only a disguise and it is not different from the successive military fascist regimes and that there is nothing to be expected from it.

A NODONG SINMUN analyst says:

What he said at the press conference boils down to the praise of his "achievements" whereby he embellished his treacheries as patriotism with flowery words, the advertisement of "policy" without any concrete proposal and deceptive, infeasible "commitments." His self-praise was intended to defend his monstrous crimes against the country and the nation in the first year of office and avoid his responsibility for them.

Kim Yong-sam got on the nerve of the North, groundlessly charging it with the "nuclear problem." He cried for "military reform and modernization" and "security posture" to cope with possible "provocations" by the North. He obtrusively blared that they have the "final say" as regards the "Team Spirit" joint military exercises and the United States "respects" their will.

This year, too, he, far from showing his willingness for reunification, intends to seek North-South confrontation as he did in the first year of office marked by treacheries. He is really a traitor to the nation and a human dreg who deserves condemnation by the 70 million people of our nation.

Regarding the internal problems of South Korea, Kim Yong-sam cried for "continued progress of change and reform" and "internationalization of the whole society," as if he would do something in the second year of office. He, however, failed to put forward any concrete proposal.

His voluble eloquence at the hurriedly called press conference in the new year is the extension of the old game of the political prostitute to attain the "security of power" by quelling the protest of the people against such treacherous acts of the "civilian" regime as rice market opening and taking the edge off their anti- "government" struggle.

A MINJU CHOSON analyst says that whatever honeyed "commitments" the "civilian" traitor may make, while enriching outside forces and the privileged circles at the sacrifice of the people, no one will be deceived.

Commentary Condemns Kim Yong-sam Rights Remarks

SK0901045194 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 8 Jan 94

[Commentary by Yun Pyong-son: "Human Rights Infringer's Ballad on the Respect of Human Life"]

[Text] The puppet traitor Kim Yong-sam held a so-called report meeting on life reforms on 7 January. Talking about life reforms, he raved that the spirit of respecting human life should be put into practice and that many people must not be made lawbreakers because of unrealistic legal systems. The rascal raved that the people should actually feel the success of life reforms within a year at the most. This is another brazen-faced mockery of the people, which can be raved by traitor Kim Yong-sam, that is, the political impostor well versed in fraud, trickery, cheating, and machination.

To renovate the spirit of respect for human life in South Korea, the colonial fascist rule should, above all, be put to an end. Fascist vicious laws, including the National Security Law, which systematically infringes upon the people's freedom and rights; and suppressive organizations, such as the police, prosecution, and the Agency for National Security Planning [NSP], and the Defense Security Command should be abrogated and dissolved. Then new laws and organizations centered on the people should come into being. Otherwise, the spirit of respecting human life cannot be displayed.

In fact, even today, that is, the era of respecting human life, human dignity, and freedom have been fully trampled underfoot in South Korea. It is in South Korea where youths, students, and patriotic figures who struggled for independence, democracy, and reunification, have been secretly assassinated and dumped into rivers and seas. It is also in the rotten South Korea where husbands kill wives and vice versa, sons and daughters kill parents and secretly bury them, and traffickers in human flesh for a little money prevail. The worst human right infringement activity has been committed by the Kim Yong-sam ring babbling about respecting human rights.

Under the pretext of a civilian regime, the Kim Yong-sam puppet ring is suppressing the people more mercilessly than at the time of the military dictatorial regimes. By mobilizing the police, the puppet ring trampled underfoot the workers who staged sit-ins calling for the right for subsistence last year. It mercilessly suppressed youths, students, and citizens calling for revealing the truth behind the Kwangju incident and punishing those responsible for the Kwangju incident, by mobilizing approximately 100,000 policemen. The number of people who were injured by the police is more than three times those injured at the time of the Sixth Republic. This shows that the Kim Yong-sam puppet ring is mercilessly suppressing the people.

Traitor Kim Yong-sam raved that many fellow countrymen must not be made lawbreakers because of an unrealistic legal system. This is also a brazen-faced maneuver. Many kinds of vicious laws, which can be applicable under any circumstances, exist in South Korea. The National Security Law is the most vicious law of all laws.

It goes without saying that the National Security Law is an unrealistic one in view of the background of the enacted law and its reactionary characteristics. For this reason, the South Korean people have strongly demanded that the National Security Law—the vicious fascist law against democracy and reunification—be rescinded.

However, the Kim Yong-sam ring has aggravated North-South relations and arrested and persecuted many people by brandishing this law. This nonetheless, he had the face of raving that many fellow countrymen must not be made lawbreakers because of an unrealistic legal system. How brazen-faced the rascal is!

Traitor Kim Yong-sam babbled about the spirit of respecting human life from the beginning of the new year. The reason he spat out such words is clear. As everyone knows, since traitor Kim Yong-sam seized power under the pretext of a civilian-regime president, he has babbled about the improvement of human rights and the development of democracy. Even though one year has passed since he seized power, nothing has changed in South Korea. Vicious fascist laws, including the National Security Law, which is a legal and systematic device for infringing upon human rights, have existed as they are or have been turned for the worse. The NSP, the hotbed of human right infringement, has remained intact.

In addition, the rulers' infringements of human rights are more prevalent than those of the time of the Fifth and Sixth Republics. Thus, people cannot breathe to their heart's content.

The so-called civilian regime's color was clearly brought to light. The people, who have been deceived by the rascals' ballad of reform, are trying to rise up to struggle against the rulers. Taken by surprise, traitor Kim Yong-sam is trying once again to deceive the people and maintain power by means of the ballad on human rights. It is unreasonable to babble about the respect of human life in South Korea—a land barren of democracy and a living hell—where human rights have been fully trampled underfoot.

The Kim Yong-sam puppet ring should abrogate and dissolve the vicious fascist laws, including the National Security Law, and the other suppression organizations, including the NSP; should stop suppressing the people; and should immediately release all patriotic figures who have been illegally arrested.

Commentary Denounces Labor 'Suppression' in South

SK0801064094 Pyongyang Korean Central Broadcasting Network in Korean 1153 GMT 6 Jan 94

[Commentary by Yun Pyong-son: "The Civilian Fascism is Further Intensifying"]

[Text] The Kim Yong-sam fascist clique revealed its criminal attempt to further intensify the suppression of the labor movement in the beginning of the new year.

According to reports, the puppet Labor Ministry set labor- management stability as the prime goal for this year's labor policy and growled that it would take stern legal measures on illegal labor disputes, and invoke the right for emergency mediation on strikes in key industries even if they are legal.

It also said that it would use the full extent of the law in force concerning the ban on the intervention of a third party to prevent the intervention of outside forces. This shows that the fascist clique's suppression maneuvers to the workers' just demand and struggle will be further intensified. It is not a coincidence that South Korea's main radio station reported that government measures on labor-management dispute were expected to become harder.

As in any society, those who create material wealth are workers, and therefore, those who enjoy the wealth should also be the workers. However, South Korean workers are driven to long hours of hard labor in adverse conditions where there is no basic protection facilities for workers. They are only targets for exploitation and suppression. It is inevitable for them to struggle for their right for existence and democracy.

Nevertheless, the Kim Yong-sam puppet clique brands their just struggle illegal and intends to brutally suppress them. The one who pretended to support the workers' struggle during his days with the opposition party, is betraying the workers and suppressing them now that the sword is in his hands. Traitor Kim Yong-sam, who said in the commitment of his election campaign that he would make a society where workers are honored, once advertised as if he would do something for workers putting out the signboards of civilian government after he seized power. However, his nature is not the one that can side with working people.

Suppression of people is a way to survive for the puppet clique. That the puppet clique intensified suppression of the people in the very beginning of the new year by throwing away the nominal labor- management data which it once showed around, and invoking the emergency mediation right that even the preceding military dictator regimes, which were notorious for suppression, could not have dared to attempt to use, proves that it has undisguisedly drawn the sword of suppression completely casting off its civilian skin.

Could there be any fascist more brutal than this? The Kim Yong- sam traitor clique is a rare fascist tyrant more brutal than its predecessors.

The reason that Kim Yong-sam's clique ran amuck to brutal suppression in the beginning of the new year is not elsewhere. As it has been exposed, during his junket to the United States in November last year, traitor Kim Yong-sam promised to open the South Korean rice market to his master backing down on his commitment that he would keep the rice market with his presidential post. Subsequently, he formally accepted the demand to open the rice market in the Uruguay Round negotiations.

It is not simply to ruin the South Korean agriculture and drive the six million farmers to death. As described by the South Korean publications that the Uruguay Round storm was coming, South Korea has no choice but to open not only the agricultural products market but also the South Korean economy's overall market including clothes and industrial products.

Therefore, this year in South Korea, it is inevitable for not only farmers but also many people from all walks of life to come out to an antigovernment struggle against Kim Yong-sam clique's treachery and traitorous acts.

Kim Yong-sam puppet clique's uncovering of its suppression attempt from the beginning of this year is a precaution for fear of the people's struggle that is expected to explode like a volcano in the future. However, it is merely the last rave of those who have no future. The more brutal the suppression, the stronger will be the people's struggle against it. South Korean people will never cease before the end of the struggle against the Kim Yong-sam puppet clique that sold out the dignity and interest of the nation and country to a foreign force for its own comfort and good and ran amok to fascist suppression.

The day the people's fascist will stand on his trial by the people and be thrown to history's night soil bin is not far away.

'War Exercises' in South Said 'Provocative'

SK0901083094 Pyongyang KCNA in English 0808 GMT 9 Jan 94

[Text] Pyongyang, January 9 (KCNA)—The South Korean puppets staged on January 6 and 7 provocative ground and air war exercises against the North in the vicinity of the Demilitarized Zone along the Military Demarcation Line [MDL], according to military sources.

In the war games in Paju, Yonchon, Inje, Kanghwa and Kimpo Counties ground attack units fired hundreds of large-calibre machinegun and automatic rifle bullets, charging towards the MDL.

And puppet Air Force units engaged themselves in a drill of support to ground attack units and intensive attack by missiles on targets in coastline areas of the Northern half of the country and a drill of intensive airlifting at night by large transport planes.

Soldiers In South Seek Vietnam War Compensation

SK0801102694 Pyongyang KCNA in English 1012 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—Some 200 former soldiers of the South Korean puppet Army who had suffered injuries during the U.S. imperialists' war of aggression on Vietnam demanded compensations from seven U.S. chemical weapons manufacturers, according to a radio report from Seoul.

During the Vietnam War the U.S. imperialists had committed a criminal act of spraying a leaf-drying chemical substance at random to devastate woodland that stood in the performance of their operations.

Former puppet Army soldiers who had been taken to the war are still suffering from the sequelae of the chemical harmful to human body.

South Opposition Demands Arms Case Reinvestigation

SK1001063994 Pyongyang KCNA in English 0443 GMT 10 Jan 94

[Text] Pyongyang, January 10 (KCNA)—South Korean opposition parties denounced the puppet Army-prosecution joint investigation headquarters which concluded an arms import scandal as a "mere fraud", according to a radio report from Seoul.

6.7 million dollars disappeared in 1992 and some 1,300 million South Korean won in 1991 when the puppet Defence Ministry was dealing with a French company over the import of ammunitions.

The (?seamy) side of the case was disclosed in December last year. The puppet Army-prosecution joint investigation headquarters clinched off the case as a "mere fraud" committed by a South Korean arms broker and a French arms dealer vis-a-vis the logistics headquarters of the puppet Defence Ministry.

The Democratic Party in a commentary January 7 branded the joint investigation headquarters' behavior as ridiculous, and urged the invocation of the "parliamentary investigation power" in order to probe the truth of the case.

The national party in a statement demanded that the "government" nullify the results of investigation of the headquarters and appoint a special prosecutor to make a full reinvestigation into the case.

South Group Chairmen Said To Support Kim Il-song

SK0801045494 Pyongyang KCNA in English 0423 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—Chu Song-il, chairman of the Central Committee of the General Federation of Trade Unions of Korea, Choe Yong-hae, chairman of the Central Committee of the League of the Socialist Working Youth of Korea, and Choe Song-suk, chairman of the Central Committee of the Union of Agricultural Working People of Korea, published statements Friday in support of the policy of national reunification set forth by the great leader President Kim Il-song in his New Year address.

They called upon the fellow countrymen in the North, South and overseas to accomplish the cause of national reunification, firmly united under the banner of great unity of the whole nation, regardless of differences in ideology, idea and system.

Chu Song-il said that if the South Korean authorities really want to pursue civilian politics, they must begin with the abolition of the anti-democracy, anti-reunification fascist laws and repressive tools and with reforms of the system for democracy and institutional reforms for reunification and ensure free activities of people of all strata calling for national reunification.

Choe Yong-hae held that the nuclear problem of the Korean peninsula must be peacefully resolved by means of negotiation, that is through DPRK-U.S. talks in any case. "The imperialists and reactionaries must act with discretion, looking straight at the indomitable will of the young people of Korea to defend Comrade Kim Chong-il, our supreme commander with their lives, becoming 5 million shells and bombs, and defend the sovereignty of the country and the gains of revolution with their blood," he warned.

Choe Song-suk said:

"Our agricultural working people can never pardon the criminal act of the Kim Yong-sam puppet clique in opening the rice market, even wringing the necks of the South Korean farmers, driven by the foolish intention to do harm to fellow countrymen."

SKNDF Declarations on Situation, Slogans

SK0901130094 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 5 Jan 94

[Text] The following are the Declaration on the Current Situation and the Immediate Fighting Slogans, which are documents of the South Korean National Democratic Front [SKNDF] Central Committee, which were approved by the expanded meeting of the Standing Committee of the SKNDF Central Committee held in Seoul on 2 January.

The Declaration on the Current Situation approved by the expanded meeting of the Standing Committee of the SKNDF Central Committee follows:

The political situation of the new year demands that we wage a definitive struggle [chong kyolsan] against the Kim Yong-sam civilian regime. The Kim Yong-sam regime, which was launched by publicizing its civilian status in the womb of the Sixth Republic, loudly beat the drum of change and reform during its 10 months of power. The result is only the sediment of military dictatorship and the regime has done nothing for the people.

Our people cried out calling for genuine democratization, but the Kim Yong-sam ring blocked the road to genuine democratization by false democratic reform and built a civilian fascist dictatorship more vicious and crafty than the military fascist dictatorship. His political reform resulted in the revival of the notorious National Security Law and the Agency for National Security Planning and the lengthening of the billy club used for the repression of demonstrations from 71 centimeters to 105 centimeters. Business conglomerates were given special favors for investment and the working masses were forced to face a new nightmare of sharing pain in his political reform. At the same time, the drama of state fraud and four unconstitutional cases, used to judge social reform, were sealed off unrectified and the main culprits have begun to reappear.

Our people have waged a bloody struggle for independence, but the Kim Yong-sam ring, in an attempt to shore up its fragile power, sold our people's national sovereignty and interests to outside forces. There has been no ruler in South Korea who did not engage in treachery, but no ruler has ever dared to sell out the rice market—the people's flesh and blood. The Kim Yong-sam gang began to bargain over the opening of the rice market as early as when he contended for power as a presidential candidate, and sold it out completely as a card to check the North-proposed package solution to the nuclear problem.

There has been no ruler in South Korea who did not serve as a stooge for the United States, but there has never been a stooge like Kim Yong-sam, who asked the U.S. forces in South Korea to remain continuously and left all human and material resources in U.S. hands as strategic supplies in return for his role as a shock brigade to implement the U.S. concept of a new Pacific community.

As the five bandits of Ulsa in 1905 sold out the country to the Japanese imperialists and as traitors Pak Chong-hui and Kim Chong- pil signed the treacherous South Korea-Japan agreement in exchange for the property claim of $300 million, the Kim Yong-sam gang today is opening wide the door for reinvasion of the Japanese reactionaries, who are attempting to ignore the claim for the liquidation of the past wrongs they committed during the Japanese imperialist colonial rule and for the wrongs they committed against the Korean women forced to prostitute for the Japanese Army, and who are attempting to come to the fore as a military power and a nuclear power.

All the fellow countrymen have been ardently wishing to realize reunification in the nineties, but the traitorous Kim Yong-sam clique is leading North-South relations to a state of extreme confrontation under the pretext of the nuclear issue, thus driving the nation toward the calamity of nuclear war. Because of the Kim Yong-sam clique's treacherous act, the door for dialogue and exchange, which was open even under the Sixth Republic's military dictatorship, is completely closed under the civilian regime, the North-South agreement is nothing but mere paper, North-South relations are totally frozen, and dark clouds of a nuclear war are looming over the nation.

As traitor Syngman Rhee started the Korean war with the U.S. imperialists' backing yesterday, so traitor Kim Yong-sam is instigating a nuclear war with the backing of nuclear powers today. The Kim Yong-sam ring, seeking stability in its ruling system, is blocking and obliterating our masses' movement of change for independence, democracy, and reunification. The Kim Yong-sam regime even enforces the right of emergency coordination [kingup chojongkwon] and the right of forced dispersion [kangje haesankwon] with its new public security-dominated rule far worse than the Sixth Republic's public security-dominated rule in order to turn the movement of various strata into ruins. At the same time, it is employing all sorts of tactics to discolor the change-aspiring mass movement into a citizen's reformist movement.

Because of the birth of the Kim Yong-sam government, South Korea is not heading for independence, democracy, and reunification, but for a hell of fascism, subjugation, and nuclear disaster under an illusion of a civilian government. It is our people's general view that the traitorous Kim Yong-sam government must not be forgiven any more.

Along with all people who aspire for independence, democracy, and reunification, the SKNDF announces its resolute separation from the Kim Yong-sam government and solemnly declares that it will overthrow it.

1. We must overthrow the fake civilian government and establish a real, independent, and democratic government. The Kim Yong-sam government is the traitorous group that is poisoning democracy and is bringing a fire of nuclear war to the country with outside forces after creeping into Chongwadae [presidential office] under the cloak of a civilian government.

Our people cannot introduce the cause for independence, democracy, and reunification—which is written in blood—into the illusion of the civilian government. All strata of the patriotic masses, who want to live for independence and democracy, must bravely struggle to overthrow the fake civilian government, which is fascist-oriented, and to establish a real, independent, and democratic government.

2. We must earnestly carry out the movement for independence, democracy, and reunification. Kim Yong-sam government's reform is fake and is aimed at maintaining the stabilization of a ruling system. The real reform lies in achieving independence, democracy, and reunification. Earnestly accelerating the movement for independence, democracy, and reunification in a proper manner is a solemn order of the times and a historic mission.

The masses from all walks of life must make the popular-oriented struggle, which started as a result of the struggle against the rice market opening, become the movement for independence, democracy, and reunification.

Reality is not a situation for compromise, but rather a situation for struggle. All change movement organizations must not be involved in a dirty reformist trend, but instead they must make the masses become conscious through struggle; organize them through struggle; and create a vitality for the new leap of the reform movement.

Let us more clearly uphold the chuche banner of reform by driving out the wind of reformism. The anti-U.S. struggle is a basis of the national and democratic movement. Without the anti-U.S. struggle, we cannot expect independence, democratization, national peace, and reunification. Let us terminate the colonial fascist rule by waging a nationwide anti-U.S. struggle to expel [chubang] the United States and establish national sovereignty.

3. We must make all patriotic democratic forces unite as one. Chongwadae is now plotting to disperse our patriotic democratic forces from within and to obliterate them by isolating them from the masses. The present situation requires the patriotic democratic forces to unite unconditionally as one. Let us unite over and over again. The change movement of our masses—which has inherited the vigor spirit of our nation by experiencing the 19 April uprising, the May Kwangju popular uprising, and the June democratic uprising—will adhere to the chuche banner of change to the end and move forward until the day we remove colonial rule, the fascist dictatorship, and the national division from this land and when we achieve independence, democracy, and reunification. Destruction will be brought to the traitorous persons who aspire subjugation, fascism, and separation. The victory is our masses, who fight for independence, democracy, and reunification.

Hurrah for independence, democracy, and reunification!

The following are the Immediate Fighting Slogans, adopted at the enlarged meeting of the Standing Committee of the SKNDF Central Committee.

Overthrowing the Kim Yong-sam traitorous regime and opening a road toward independence, democracy, and reunification today is the will of the popular masses and the call of national history.

At the call of the situation and the will of the popular masses, the SKNDF Central Committee releases the Immediate Fighting Slogans.

Let us overthrow the Kim Yong-sam treacherous fascist regime and establish a genuine independent and democratic regime!

Let us overthrow the Kim Yong-sam dictatorial regime, which is strangling democracy under the cloak of the civilian regime!

Let us abolish the National Security Law and all other vicious antidemocratic laws and dissolve dictatorial government agencies. Abolish the Agency for National Security Planning, the den of antipopular conspiracies and slandering! Let us destroy the Democratic Liberal Party, the den of civilian fascism and conspiracies!

Let us not be deceived by false democratic reforms but achieve democracy through struggle! Let us abolish the civilian fascist regime, which enforces the grass roots to share the pains! Let us abolish the vicious labor laws through struggle and obtain subsistence wages through struggle!

Let us overthrow the Kim Yong-sam regime, which has ruined agriculture and turned this land into a market for U.S. rice! Let us rake up civilian irregularities and end corrupt politics!

Let us execute Kim Yong-sam, who hushed up the [words indistinct] incidents and spared the criminals!

The civilian regime's toadyist and treacherous policies deepen dependence on the United States and Japan. Let us execute Kim Yong- sam, a pro-U.S., pro-Japan toadyist traitor!

Let us reject outside force and achieve national independence! There is no democracy or reunification without anti-Americanism. Let us more highly hold the torch of anti-U.S. struggle!

Let us remove the U.S. imperialists' colonial rule and achieve national independence! Let us drive out the United States, which instigates civilian fascism!

Let us bring an end to U.S. internal intervention through pan- national struggle and crush the pressure to open our markets! Let us keep U.S. rice off our market through anti-U.S. struggle!

Completely stop conducting the Team Spirit joint exercise, which brings in the dark clouds of nuclear war! There can exist the South only when there is the North. Let us crush the United States' slanderous maneuvers concerning suspicions about the North's nuclear development and defend the nation!

Remove U.S. forces and nuclear weapons from South Korea! Let us turn the Korean peninsula into a nuclear-free zone through powerful anti-U.S. and antinuclear struggle!

Let us crush South Korea-Japan political alliance and prevent subordination to Japan! Let us nullify the South Korea-Japan agreement [on normalizing relations] and liquidate the past crimes of the Japanese imperialists! Let us awaken ourselves to Japan's attempt to become a military power and maneuvers to arm itself with nuclear weapons!

Let us bring an end to North-South confrontation and achieve the fatherland's independent, peaceful reunification! Let us deal a hard blow to the Kim Yong-sam divisionist regime, which has driven North-South relations to extreme confrontation! A nuclear war will break out if Kim Yong-sam is left alive! Let us behead [mogulchija] the Kim Yong-sam ring, the nuclear war servant of the United States!

Let us oust the Kim Yong-sam traitorous regime, which is frantically trying to crush [apsal] its fellow countrymen by pursuing an international cooperation system! Let us resolutely oppose all war exercises for northward aggression against our fellow countrymen!

Let us crush the divisionist maneuvers and achieve reunification under a confederal system! Let us accelerate the march toward reunification, in which the 70 million people will become one, under the banner of the 10-point program of great unity of the entire nation!

Let us develop the popular movement for independence, democracy, and reunification! Let us maintain the chuche-oriented reform ideology and highly hold the banner of independence, peace, and reunification!

Let us crush the maneuvers by the civilian fascist dictatorial regime to reform the movement circles and achieve a breakthrough in the movement for national salvation!

Let us reject the treacherous call for labor-management cooperation and industrial peace through struggle and activate the labor movement!

[Words indistinct] One million students! Lead the way in inciting 40 million people as demanded by the political situation!

Making reforms and criticizing while participating in the establishment leads one to self-destruction. Let us remove the dirty trend of reformation in a chuche-oriented way. Workers, peasants, and the youth and students! Highly raise the flames of the popular movement, realizing that they are masters among the three major groups [as heard]!

Let us expand the solidarity and joint struggles of people from all walks of life!

Let us combine the ranks of national, democratic, and patriotic forces into one!

Let us wage struggles with unity and achieve unity with struggle!

All people! Overthrow the aggressors and nation-sellers and hasten the coming of independence, democracy, and reunification!

These were the Declaration on the Current Situation and the Immediate Fighting Slogans, which were adopted at an enlarged meeting of the Standing Committee of the SKNDF Central Committee.

Foreign Visitors' Praise for Pyongyang Cited

SK0801011594 Pyongyang KCNA in English 1503 GMT 7 Jan 94

[Text] Pyongyang, January 7 (KCNA)—Foreigners who visited Korea were struck with wonder at the magnificent and beautiful looks of Pyongyang.

George Kosmas Adyebo, prime minister of the Republic of Uganda, said that the modernly-built, wonderful Pyongyang is a place where miracles have been wrought in the true sense of the word.

Pyongyang today is unthinkable apart from the wise guidance of his excellency the great President Kim Il-song and his excellency dear Kim Chong-il, he said.

Gao Yan, governor of Jilin Province, China, said:

"Pyongyang is a city in a park. It is packed with magnificent and beautiful streets and theatres, large-scale stadiums and well- appointed public service facilities, parks and fountains and grand monumental edifices standing here and there like mountain ranges. It is a city marked by the revolutionary spirit and enthusiasm.

"Mural paintings in underground stations of Pyongyang metro can be said to be a great treasure-house of art.

"Pyongyang is a city of hope imbuing people with infinite confidence and optimism for the future.

"I saw the heroic mettle of socialist Korea in the looks of prosperous Pyongyang where all the people lead a happy life without any worries about their life."

Leon Nzokene, general secretary of the Congolese Socialist Party, said:

"I saw working people and children studying to their heart's content and bringing their talent into full bloom without any worries at the grand People's Study House, the Mangyongdae School Children's Palace and all other places I visited. I think they are, indeed, the most blessed people in the world.

"Today the Korean people are vigorously struggling to defend and further develop socialist system."

Editorial Stresses People's 'Revolutionary Optimism'

SK0801130094 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 4 Jan 94

[NODONG SINMUN 4 January editorial: "Let Us Strenuously Advance Toward a New Victory With Revolutionary Optimism"]

[Text] All party members and working people are now vigorously accelerating the grand socialist march with a high sense of spirit by upholding the great leader Comrade Kim Il-song's New Year address.

This year is the year of a revolutionary upturn in which our country's socialist construction enters a new stage of development, as well as the rewarding year of struggle in which the entire party, the whole country, and all people should be mobilized to effect a great revolutionary upsurge on all fronts.

To make the New Year 1994 become a historic year of an upsurge in our country's revolution and construction, all party members and working people must continue to fight more strenuously and vigorously than ever before with revolutionary optimism.

The dear leader Comrade Kim Chong-il has indicated: Optimistically living and struggling with a faith in victory is a noble character of revolutionaries.

Revolutionary optimism is an ideological and spiritual driving force, enabling the people to endlessly embark upon the revolutionary road. It is also a firm faith in the justness and invincibility of the revolutionary cause that the party and the leader [suryong] are leading, as well as a strong revolutionary spirit to overcome trials and obstacles with a smile without the slightest vacillation.

For the people to endlessly carry out revolution, they should vigorously fight on with revolutionary optimism. Our people are the proud and revolutionary people who are creating the socialist heroic epic with revolutionary optimism under the leadership of the party and the leader [suryong].

The socialist road on which our people have embarked was the road of an ardent struggle leading to obstacles and trials. However, our people have vigorously struggled with a firm faith that one can surely win victory only if one moves forward under the leadership of the party and the leader [suryong]. As a result, they could defeat the strong imperialist enemies who were proud of their numbers and technologies. Also, they could establish strong, independent, self-reliant, and self-defensive socialist country on a lump of ashes in which everything was destroyed. The spirit of revolutionary optimism became a major spiritual source in leading the people to win a great victory and to perform a world-shaking miracle in the socialist construction.

The more we face the difficult and heavy tasks, the more we make strenuous efforts to implement them filled with conviction and optimism. This is a traditional trait of our people.

The spirit of revolutionary optimism, which was created from the beginning by the first generation revolutionaries of the Korean revolution, has been handed down to generation after generation. This spirit is also being displayed more highly in today's struggle in which socialism of our own style is consummated under the leadership of the dear leader Comrade Kim Chong-il.

Last year, our people could resolutely smash challenges by the imperialists; firmly safeguard and adhere to the socialist cause of our own style; and highly demonstrate the might of chuche Korea. This is because all people are firmly united around the party and the leader [suryong] and fight on with full conviction and optimism.

When the country and the revolution were faced with a stern trial, our people, without any vacillation, turned out as one to resolutely smash [chitpusida] the enemies' challenges and aggressive maneuvers with invincible conviction and roaring spirits, and brilliantly adorned the final year of the Third Seven-year Plan by vigorously accelerating the socialist economic construction.

Through the last year's harsh trials and struggle, our people have come to cherish deep in their hearts the firm conviction that as long as we have the dear leader Comrade Kim Chong-il who possesses an iron will and seasoned leadership we wil easily win victory over any formidable enemy and will triumphantly advance toward the socialist cause.

We have before us glorious yet heavy tasks of vigorously accelerating the general onward march of socialism so as to add luster to the socialism of our own style while upholding the great leader Comrade Kim Il-song's New Year's address.

We are building socialism in a sharp confrontation with the enemy. By thoroughly carrying out the revolutionary economic strategy of our party in this year, we should consolidate the foundations of the nation's independent economy solid as a rock and further improve the people's standard of living to meet the socialist requirements.

Today's situation and enormous tasks lying before us call on all the party members and working people more than ever before to stir up themselves in a struggle to advance toward a new victory with revolutionary optimism. The conviction of victory and revolutionary optimism are our invincible ideological and spiritual weapon in the general march of socialism at the present time.

The key to consolidating and developing the single-minded unity of our revolutionary ranks around the dear leader Comrade Kim Chong- il as well as the way to create a history of great revolutionary upsurge by highly displaying the revolutionary spirit of self- reliance and arduous struggle lie the fact that all the people have the conviction of victory and revolutionary optimism.

"Let us strive harder and advance toward a new victory with revolutionary optimism," this is an important militant slogan which our party and people must hold high now. When we strive harder and work militantly with revolutionary optimism, we can brilliantly fulfill programmatic tasks set forth in the great leader Comrade Kim Il-song's New Year address and further display the might of the socialism of our own style.

What is important in winning a new victory, full of revolutionary optimism, is that the entire people have the unshakable will and faith that they will surely win when they advance under the leadership of our party. For those who do the revolution, there should a spiritual support. Those who have a strong will and conviction for their party and people do not waver in whatever circumstances and do not fear of any difficulties.

The spiritual support for our people is the dear leader Comrade Kim Chong-il. All the party members and working people must always keep in mind the conviction of victory and the future of the revolution, deeply understanding his greatness. Loudly singing the song

"We Will Win Because You Are Leading Us," we must have a strong will, fearing no difficulty, adversity and formidable enemy as long as we have the dear comrade leader.

All the party members and working people must also be firmly convinced of the invincibility of the cause of the socialism of our own style which is vigorously advancing under the banner of the great chuche idea.

Our cause of socialism is a just cause that fulfills the most noble idea of the popular masses and an invincible cause that has been smoothly adhered to without a hitch by withstanding any upheaval of history. The fact that our country shines as a fortress of socialism at a time when socialism has been frustrated in some countries and anti-socialist foul winds sweep the world displays the invincibility and justness of our revolutionary cause.

We should deeply realize the superiority of the popular masses- centered socialism of our own style which provides a creative and independent livelihood for the popular masses by comparing our proud reality with the tragic realities of countries where socialism has been frustrated.

We must fight resolutely with hope for and confidence in the bright prospects of our economy, which is being developed vigorously according to the party's revolutionary economic strategies, and the future when more bountiful and civilized lives will blossom.

Having revolutionary optimism is all the more important to guiding officials who command the revolution. Experience shows that when officials work with overflowing confidence and optimism, the masses will become enthusiastic and the entire country will be filled with confidence in victory.

All guiding officials must thoroughly demonstrate, in their work and lives, the indomitable revolutionary spirit and revolutionary optimism of the fallen anti-Japanese revolutionaries who maintained their fidelity as the great general's revolutionary warriors, saying that they could see a revolutionary victory even though their eyes had been plucked out. Our officials must loudly sing songs of struggle filled with confidence and optimism when they sing; walk filled with enthusiasm and high spirits when they walk; and always lead optimistic lives.

To live and fight with revolutionary optimism, our officials and workers must learn the ideological and spiritual world of Comrade Yi In-mo. Comrade Yi In-mo has genuine revolutionary optimism in that he firmly believed in the victory of our revolutionary cause led by the party and the leader [suryong], overcame horrible tortures and punishments and persistent appeasement, and maintained his fidelity as a revolutionary.

Comrade Yi In-mo's noble spiritual world is fully shown in his poem dedicated to the dear leader. An idea contained in his dedicated poem is that the road to which the dear comrade leader is leading us and which he points is the most correct and just road on which we can always win. Such confidence and will signifies revolutionary optimism, which we must possess. Such devotedness is the philosophy of the revolutionaries and leads one to the revolutionaries' noble spiritual world.

All party members and workers must live, cherishing deep in their hearts the idea contained in the poem Comrade Yi In-mo dedicated to the dear comrade leader with single-minded loyalty.

For party organizations of all levels to strengthen organizational and political work is important for making all party members and workers strenuously live and fight filled with revolutionary optimism and confidence. In step with today's situation and environment, party organizations must give priority to strengthening education in revolutionary optimism and the greatness of the party and the leader [suryong].

Party organizations must positively carry out work to make party members and workers deeply embody the great leader's New Year address and the decisions of the 21st Plenary Meeting of the Sixth Party Central Committee. In this way, they must make the party members and workers speed up their onward march in the new year with hope for the future and confidence in the revolution's future.

Revolutionary optimism sharply contrasts with corrupt and decadent antisocialist trends. Party organizations must keep reactionary trends—which the imperialists and the betrayers of socialism spread—from infiltrating into our society, and fill the entire society with vigorous revolutionary spirit.

The people's struggle today is arduous, the future of the struggle is bright, and a victory is certain.

At the vanguard of our revolution are the dear leader Comrade Kim Chong-il, the invincible great party, the invincible revolutionary Armed Forces, and the strong self-reliant national economy.

When all people, filled with revolutionary optimism, courageously march forward with high spirits, the victory will eternally be ours.

Let us all resolutely march forward to win a new victory after cherishing deep in our hearts the revolutionary optimism that they can win victory when they march under the dear leader Comrade Kim Chong-il's leadership and more single-mindedly unite around the party and the leader [suryong].

Provincial Plenary Meetings View Economic Strategy

SK0801111594 Pyongyang KCNA in English 1059 GMT 8 Jan 94

[Text] Pyongyang, January 8 (KCNA)—Plenary meetings of the provincial (municipal) committees of the Workers' Party of Korea were held recently.

The plenary meetings discussed tasks of implementing the resolution of the 21st plenary meeting of the Sixth Party Central Committee.

The plenary meeting of the party Central Committee held in December last year, on the basis of a deep analysis of the practical requirements of socialist construction in Korea, decided to set the next three years as a period for adjustment in socialist economic construction and put forth strategic agriculture first, light industry first and foreign trade first policies in this period.

The plenary meetings of the provincial (municipal) party committees stressed that the Korean people are now faced with an honorable task of stepping up socialist economic construction to further increase the might of the Korean-style socialism and bring its advantages into fuller play, while consolidating the achievements made in the implementation of the Third Seven-Year Plan.

They expressed the determination to implement the party's revolutionary economic strategy of directing primary efforts to agriculture, the light industry and foreign trade in the period of adjustment for socialist economic construction.

Plants Meet on Implementing New Year Tasks

SK0801135194 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 5 Jan 94

[Excerpts] Workers of the Sinuiju Shoe Plant and the Tongdaewon Textile Plant held rallies on 4 January to implement thoroughly the militant tasks that the great leader Comrade Kim Il- song presented during his New Year address.

Kim Hak-pong, chief secretary of the North Pyongan Provincial Party Committee and chairman of the North Pyongan Provincial People's Committee; (Kang Sun-hui), vice chairman of the Light Industry Committee; Kim Kuk-sam, vice chairman of the General Federation of Trade Unions of Korea Central Committee; pertinent officials; and plant workers were present at the rally of the workers of Sinuiju Shoe Plant. (Kim Chun-paek), secretary of the primary-level party committee of the plant, delivered a report at the meeting. [passage omitted]

Chu Song-il, chairman of the General Federation of Trade Unions of Korea Central Committee; Yi Pyong-nim, vice chairman of the Light Industry Committee; (Pak In-kun), secretary of the Pyongyang Municipal People's Committee; pertinent officials; and plant workers were present at the meeting of the workers of Tongdaewon Textile Plant. (Kang Sung-yong), secretary of the primary-level party committee of the plant, delivered a report at the meeting. [passage omitted]

South Korea

Hata Proposes Resumption of Talks With DPRK

SK0901092894 Seoul YONHAP in English 0918 GMT 9 Jan 94

[Text] Beijing, Jan. 9 (YONHAP)—Visiting Japanese Deputy Prime Minister and Foreign Minister Tsutomu Hata formally proposed to North Korea here on Sunday [9 January] that the two countries resume their normalization talks suspended since November 1992.

In a press conference at the end of his two-day visit to China, Hata said, "Japan hopes to resume the normalization talks at an early date."

The Japanese minister said that he discussed this offer during his meeting with Chinese Foreign Minister Qian Qichen, who he said welcomed it.

Western sources here said unofficial contacts had already begun between the Japanese and North Korean Embassies in Beijing on matters related to resuming the normalization talks.

They said Japan first expressed their willingness to resume the talks to the North Korean Embassy in Beijing toward the close of last year.

"The time of the resumption of the talks could possibly be either next month or March," one of the sources said.

Regarding the North Korean nuclear issues, Minister Hata said Japan and China agreed that the recent substantial progress in U.S.- North Korea contacts was a welcome development.

Hata added he believes North Korea would not resort to any careless acts inasmuch as their nuclear question is directly linked to peace and stability in the whole region of Northeast Asia let alone the Korean peninsula.

DPRK, Japan Normalization Talks 'Likely To Resume'

SK0901051594 Seoul YONHAP in English 0506 GMT 9 Jan 94

[Text] Tokyo, Jan. 9 (YONHAP)—Normalization talks between Japan and North Korea, suspended for more than a year, are likely to resume next month at the earliest, the TOKYO SHIMBUN here reported on Sunday.

Quoting an official working with the Japanese delegation to the talks, the paper said that if the meeting were actually resumed, the time would most likely be some time in February shortly before or after the third-round U.S.-North Korea high-level talks expected to take place next month.

The report said North Korea expressed the willingness to return to the talks during the visit to Pyongyang by

Hajime Fukata, a Dietman and organization director of the Japan Socialist Party, late last year.

Fukata had talks with Hwang Chang-yop, North Korean Workers' (Communist) Party international affairs director, during his stay in Pyongyang.

The normalization talks were last held in November 1992 in Beijing when the meeting broke up after Japan demanded a probe to determine whether a woman named "Yi Un-hoe" who allegedly taught Japanese language to terrorist Kim Hyon-hui was a Japanese woman.

U.S. Senator Nunn, Minister View Nuclear Issue

SK1001071494 Seoul YONHAP in English 0648 GMT 10 Jan 94

[Text] Seoul, Jan. 10 (YONHAP)—A group of American congressmen showed support Monday for South Korean and U.S. efforts to solve the North Korean nuclear problem through dialogue rather than by punitive sanctions.

Sen. Sam Nunn, chairman of the Senate Armed Services Committee, and other congressmen told Foreign Minister Han Sung-chu that they expect positive progress in ongoing negotiations, according to Chang Chai-ryong, director-general of the Foreign Ministry's American Affairs Bureau.

The U.S. visitors agreed that dialogue, at least for now, is the best way of solving the problem, Jang said.

The group came to Seoul last week after a field trip to Russia and Japan.

Nunn was quoted as telling Han that Moscow officials explained to him that they opposed North Korea's acquiring nuclear weapons.

The U.S. senator mainly asked questions, mostly about South Korea's evaluation of North Korea-U.S. dialogue, the degree of Seoul-Washington cooperation in countering the situation, and China's possible contribution to solving the problem.

He also is said to have asked about South Korea's position on possible relations improvement between North Korea and the United States once the nuclear question is resolved.

When Nunn inquired about the possibility of sanctions if dialogue fails, Han said that he hopes to clear up the problem before it goes that far, Jang said.

Press Comments on U.S. Nuclear Talks With North

CHUNGANG ILBO Editorial

SK0801032494 Seoul CHUNGANG ILBO in Korean 6 Jan 94 p 3

[Editorial: "The North Korea-U.S. Nuclear Negotiations in Which the United States Made Compromises"]

[Text] A high-ranking U.S. Government official confirmed that North Korea and the United States agreed on a one-time inspection of seven nuclear facilities in Yongbyon. Therefore, it seems that the tedious nuclear tug-of-war has overcome one stage for the time being. The result of this negotiation may have been a choice under the necessity of avoiding a catastrophe. It is a result which is somewhat unsatisfactory.

What was agreed upon at the negotiations between North Korea and the United States was to carry out limited inspection. This is an agreement which is worse than the conditions that were met before North Korea announced it would withdraw from the Nuclear Nonproliferation Treaty [NPT] in March of 1993. North Korea is claiming that since it has withheld its withdrawal from the NPT, it is not a full member country of the NPT. Therefore, it is saying that allowing the one-time inspection is not an obligation but a form of cooperation.

This does not even meet the condition of the ordinary [tongsang] inspection that could have been carried out before the demand for inspection was made by the International Atomic Energy Agency [IAEA] on unreported nuclear facilities in Yongbyon. As such, North Korea is carrying out acts lacking international level but on the other hand it is gaining profits. North Korea has fulfilled its demand of making us withhold the Team Spirit exercise and obtained direct contact with the United States since March. While North Korea achieved such results, not one demand by our side was met.

In the beginning, the United States had demanded that North Korea accept complete nuclear inspections. However, the United States made a strategic compromise as a last resort to make North Korea receive complete nuclear inspections by committing North Korea to the NPT system. The U.S. plan is that rather than breaking off negotiations, it hopes to maintain a dialogue to consecutively resolve issues at the next high-level talks.

Therefore, the remaining problem at this point is on how negotiations will progress between North Korea and the IAEA to discuss the method and time of the inspection. It is uncertain whether the IAEA will agree on the method of a one-time inspection which will stop at examining the continuity and safety of North Korea's nuclear inspection. If such an inspection is carried out, it will be regarded as a bad precedent.

A more important issue is whether North Korea will show a sincere attitude in the third round of North

Korea-U.S. high-level talks as anticipated. Judging from North Korea's means of dialogue up until now, we cannot rule out the fact that North Korea may lead the high-levdl talks to slow progress by launching its offensive in waves through endlessly new conditions and proposals. The U.S. strategy is to reach an agreement on inspection of unreported facilities at the high-level talks but it is expected that there will be many critical stages.

As a result of its interest in negotiations with the United States up until now, North Korea may well treat South-North dialogue superficially. That kind of sign has appeared on several occasions. We must be prepared to defend our firm principle of guaranteeing North Korea's nuclear transparency and securing South-North dialogue.

HANGUK ILBO Editorial

SK0801060294 Seoul HANGUK ILBO in Korean 7 Jan 94 p 3

[Editorial: "Dubious U.S.-North Korean Nuclear Negotiations"]

[Text] It can only be desirable that because North Korea has decided to receive nuclear inspections of the seven nuclear facilities in Yongbyon and begins negotiations for inspections with the International Atomic Energy Agency [IAEA], a clue to the solution of North Korea's nuclear issue could be found. It has been learned that the United States and North Korea have reached an agreement that if the IAEA begins inspections of North Korea's nuclear facilities, the discontinuation of the Team Spirit exercise should be announced and the third round of U.S.-North Korean talks should begin. Because the third round of U.S.-North Korean talks is expected to discuss the issue of improving U.S.-North Korean relations and economic cooperation and is expected to greatly change and develop North Korean-U.S. and North Korea-Japanese relations, attention is focused on the sincerity of North Korea, which is to receive inspections.

However, as we watch the solution of North Korea's nuclear issue, we have mixed feelings and are rather displeased because there are not just one or two dubious things about the U.S.-North Korean negotiations. First, even though it is said that North Korea's nuclear issue is "nearly settled," the United States and North Korea have not revealed the contents of the agreements they have reached. That is, they have not revealed what procedure and which method will be used to resolve North Korea's nuclear issue. We cannot know whether there is a tacit understanding with the ROK or the issue of persuading the ROK has not been completed. Second, the opinions of the United States and North Korea over the method of inspecting the seven facilities are incongruous. We are bewildered because North Korea says that it will receive the IAEA's nuclear inspection just once; the United States stresses that the continuity of nuclear safeguards accord should be maintained. Third, when on earth can the North-South dialogue be resumed in the wake of the "settlement" and what will become of mutual nuclear inspections? This question is as obscure as ever. We cannot but doubt about why our government keeps silent even though it has stressed close cooperation with the United States.

We should never overlook the "just one inspection" if it is true, as claimed by North Korea. The fact that just in order to reinspect the seven facilities, a year after the IAEA already inspected them as many as six times in 1992, and in order to replace the monitoring films and batteries, the United States has been strained for nearly 10 months over the North Korea's nuclear commotions and that it will offer diplomatic relations and economic cooperation to North Korea cannot be anything but nonsense.

When the main U.S. press pointed out that the one time inspection is a great concession, the U.S. Government, saying "inspecting seven facilities is a great advance," stressed the continuity of the nuclear safeguards accord. The United States may think that North Korea will be forced to constantly receive inspections in exchange for economic cooperation. However, it is doubtful whether North Korea will truly and easily respond to receiving inspections.

Regarding the issue of resuming North-South dialogue and mutual inspections, after the summit talks with President Clinton last November, President Kim Yong-sam stressed that the solution of North Korea's nuclear issue involves "a thorough and broad-scale approach method." Speaking at the New Year's press conference, President Kim Yong-sam said "dialogue and mutual inspections cannot be absolutely excluded" in resolving North Korea's nuclear issue and "it is the firm position of the United States and the ROK that the IAEA inspections and mutual inspections should be conducted at the same time." However, the U.S. side still has not announced a clear schedule, nor has it declared its promise to put into practice mutual inspections.

In fact, if North Korea's nuclear transparency could be completely ensured through any organization or method, we would not need to insist on mutual inspections. The IAEA can inspect the facilities that North Korea reported to the IAEA. On the other hand, mutual inspections means that each party can mutually inspect all facilities, including the facilities that are not reported. Thus, mutual inspections should be realized without fail. Of course, U.S.-North Korean negotiations have not been completed yet and we will have to watch the first step taken by the U.S. and North Korea, that is, the IAEA-North Korean inspection negotiations. However, all suspicions should be cleared up without fail. The government should explain the process of nuclear negotiations and the direction the solution of the nuclear issue is taking.

CHOSON ILBO Editorial

SK0801120594 Seoul CHOSON ILBO in Korean 8 Jan 94 p 3

[Editorial: "Where Is the 'Special Inspection' Issue?"]

[Text] The North Korean nuclear issue was caused by the demand by the International Atomic Energy Agency [IAEA] for special inspections [tukpyol sachal] of the two unreported facilities [sisol] in Yongbyon, North Korea. Without the two facilities, the quarrel for the past year over North Korea's nuclear development would not have occurred. Now when a conclusion of U.S.-North Korean negotiations on the nuclear issue is reportedly near-at-hand, the special inspection issue has been placed outside the argument.

Is the nuclear issue really solved if special inspections are not addressed? The third round of U.S.-North Korean talks can be held, but cannot be considered progress in guaranteeing North Korean nuclear transparency.

Nuclear inspections by the IAEA begin with specific inspections [tukchong sachal]. A specific inspection means confirming a list of nuclear materials reported by a signatory of the Nuclear Nonproliferation Treaty [NPT] by comparing it with an on-the-spot inspection. When the IAEA fulfills a specific inspection of a NPT signatory, the signatory has to inform the IAEA of the design of its facilities engaged in preservation and research of nuclear materials. After receiving such information, the IAEA installs monitoring video tape recorders to inspect the facilities. We call this ordinary inspections [tongsang sachal].

Inspections of only reported facilities are not sufficient nuclear inspections. The inspection of unreported, suspicious facilities can help in guaranteeing each country's nuclear transparency. This is a special inspection. After inspecting a nuclear waste specimen of North Korea in the course of its specific and ordinary inspections of the country, the IAEA suspected that high-density plutonium had been extracted without being reported. This is why the IAEA wants to see the North Korean facilities.

The United States said that it had given up the special inspection of the North Korean nuclear facilities because it wanted to maintain the continuation of at least ordinary inspections. It also said that it may find a resolution of special inspections during the third round of U.S.-North Korean talks.

Judging from the North Korean attitude shown up to the present time, I cannot help but point out that there is no likelihood of the success of the U.S. approach. North Korea agreed to allow ordinary inspections of its seven reported facilities and to hold South-North working-level contacts for an exchange of envoys in return for the resumption of high-level talks with the United States and suspension of the Team Spirit exercise. This is nothing but a one-sided concession made by the United States because it will enable North Korea to assume a high-handed attitude in South-North working-level contacts without allowing practical nuclear inspections and to hold negotiations with the United States on various pending issues—such as the establishment of diplomatic relations, the issue concerning light-water reactors, and the issue of signing a peace treaty—after the suspension of the Team Spirit exercise.

The United States cannot exercise overall nuclear control over North Korea by this approach. It is nothing more than overlooking the nuclear development of unreliable countries. It will obviously strike a serious blow to the plan for the limitless extension of the term of the NPT, which is supposed to expire in 1995. The United States will have difficulties in leading the new world order of the post-cold war era if it loses the confidence of Asian countries, which are sensitive to the nuclear issue.

THE KOREA TIMES Editorial

SK0801091794 Seoul THE KOREA TIMES in English 8 Jan 94 p 6

[Unattributed editorial: "No Concessions to North Korea"]

[Text] We are paying close attention to news reports that North Korea has agreed to only a one-time international inspection of seven declared nuclear sites but has avoided a much more serious issue—IAEA [International Atomic Energy Agency] access to undeclared sites, especially two nuclear waste dumps needed to verify clearly whether Pyongyang has been building nuclear weapons.

At this moment we do not expect the U.S. to knuckle down to the crafty ploys of Pyongyang, whose words have been seen in the past to bear absolutely no relation with its intentions. Nor will it allow North Korea to wring out of it concessions in their negotiations because it will also have learned that the North, if given an inch, will take a mile.

Despite the reported accord, as U.S. Secretary of State Warren Christopher pointed out Thursday [6 January] in an interview, the U.S. and its allies still face some difficult and sensitive steps before they reach the goal of regular inspections and a nuclear-free Korean peninsula.

As far as the nuclear issue is concerned, the fundamental question is whether North Korea has really cast aside its intention to go nuclear. We are particularly suspicious of what appears to be North Korea's strategy to sidestep the crucial issue by allowing only an inadequate single inspection.

It cannot be denied that North Korea has delayed things as long as possible anticipating a slip in the basic U.S. position on North Korea which it will exploit for all it is worth.

In this connection, both the U.S. and the IAEA must play their cards carefully in their separate talks with North

Korea, not unilaterally giving in to North Korea's persistent demand for U.S. diplomatic recognition and cancellation of the Team Spirit military exercise. We stand to lose more than we gain if we resort to a hasty approach in dealing with North Korea.

NNSC Official: Be 'Patient' on Reunification

SK0801032294 Seoul YONHAP in English 0942 GMT 7 Jan 94

[Seoul YONHAP in English at 0942 GMT on 7 January transmits the following item together with a note stating that it is to replace a previously transmitted version; the earlier replaced version was published in the South Korea section of the 7 January East Asia DAILY REPORT, page 17, under the headline "NNSC Official Warns Against Pressing DPRK"]

[Text] Panmunjom, Korea, Jan. 7 (YONHAP)—An official of the Neutral Nations Supervisory Commission (NNSC) agrees with those who think it is not the interest of any nation to see problems arising in the Korean peninsula because of the North Korean nuclear issue.

"There could be a danger of having something that no one wants to see happening," Maj. Gen. Bernard Sandoz, chief Swiss member on the Neutral Nations Supervisory Commission (NNSC), said Friday, warning of tremendous repercussions in case concerned parties try to carry the nuclear issue to extremes.

"Be patient," Sandoz, asked about prospects of Korean reunification, said in an exclusive interview with YONHAP reporters at the Swiss Club inside the truce village of Panmunjom.

"It is not in the interest of South Korea, China, Japan or the United States to see a failed reunification taking place in Korea," he said.

While hailing the progress in Pyongyang-Washington dialogue in solving the nuclear situation, the major general noted that North Korea and the United States must build mutual confidence.

By 1996 North Korea claimed it has come close to meeting U.S. terms only to see Washington move away by attaching more conditions to better relations, and so North Korea is now demanding a package deal to resolve the nuclear question, he said.

"Yongbyon seems to be the only card in their (North Korean) game," he said, referring to the site of suspected nuclear facilities involved in secretive arms development.

U.S. concern for peace and stability in Northeast Asia is well understood, Sandoz said, but it is also important for North Korea to obtain something in return.

The 58-year-old general, a diplomat by profession, has been at his post since August 1990 and witnessed changes in inter-Korean relations and the status of the commission, established in 1953 at the end of a three-year Korean war to oversee the Armistice Agreement.

All official contact between North Korea and the NNSC was broken off in May 1991 by Pyongyang, a result of North Korea's protest against the appointment of the first South Korean chief of the Military Armistice Commission in March that year.

"It's very frustrating to be here and not be able to fulfill the mission completely because of the boycott," he told YONHAP.

He said they had to accept other channels of dialogue such as the ongoing working-level talks between North Korea and the United States in New York.

Despite North Korea's insistence on dissolving the NNSC, Sandoz said, the commission will stay until the Armistice Agreement is replaced by a peace treaty.

The Armistice Agreement is the only legal base, he said, and the NNSC is part of this legal base.

"We will stay until both sides (South and North Korea) agree we should leave," he said. "This is the official position of the NNSC and members' governments."

Minister: Direct N-S Trade If Nuclear Issue Settled

SK1001085594 Seoul CHUNGANG ILBO in Korean 10 Jan 94 p 9

[Text] Minister of Trade and Industry Kim Chol-su revealed on 10 January that if North Korea's nuclear issue is resolved, the South-North trade will be changed into a direct trading system and cooperation in the resource and energy fields will be promoted on a full-scale.

In an interview with YONHAP on 10 January, Minister Kim said: "In preparation for the resolution of the nuclear issue, the government is hastening its preparations to change South-North trade to direct trade. In energy, possibilities of supplying South Korea's electricity to North Korea and of bringing in North Korean coal and zinc ingots are being examined."

In connection with the Samsung Group's advance into the automobile industry, Minister Kim said that a decision will be made based on the result of the research on "The Vision and Direction of Development of the ROK Automobile Industry for the 21st Century," conducted by the Industrial Research Institute in April.

Defense Rejects DPRK's Charges of 'War Exercise'

SK0801002794 Seoul YONHAP in English 1145 GMT 7 Jan 94

[Text] Seoul, Jan. 7 (YONHAP)—The Defense Ministry on Friday denied as "groundless" the North Korean charge that South Korea and the United States have been staging a joint war exercise threatening North Korea.

The North KOREAN CENTRAL NEWS AGENCY, monitored here, claimed earlier in the day that South Korea and the United States were using more than 360 F-16 and other war planes in a bombing practice with major facilities deep in North Korea as potential targets.

Ways To Cope With North's Rights Issue Studied

SK0901053694 Seoul YONHAP in English 0527 GMT 9 Jan 94

[Text] Seoul, Jan. 9 (YONHAP)—The government is studying multi-pronged ways to address to the human rights conditions of North Korea step by step in the future.

A source at the National Unification Board said on Sunday the measures being reviewed are for implementation in two separate stages: One for the period of reconciliation and cooperation and the other for the period of South-North Commonwealth.

In the initial stage, the source said, the government plans to call for improved human rights conditions in the North in collusion with international human rights organizations like the Amnesty International and the International Committee of the Red Cross.

Through these organizations, Seoul would ask Pyongyang to allow, for instance, visits by human rights inspectors and stop perpetrating torture and all other forms of maltreatment of prisoners.

Another method under review is to adopt a human rights manifesto applicable to all member countries in return for economic cooperation for North Korea when a Northeast Asian multilateral security dialogue involving North Korea is held.

The source said that when inter-Korean exchanges and cooperation are promoted in earnest, the South could extend support to the North with emphasis on those areas which could be helpful to elevating the quality of the North Koreans' lives, the source said.

In this stage, efforts could also be made to resolve the dispersed family question on a priority basis without linking it to political questions, he said.

The source said the board also feels the need to think about the method of obtaining the release of political prisoners and facilitating the reunion or meeting of displaced families in return for some prices.

He noted that before their integration, West Germany paid 3,440 million marks in all to East Germany from 1963 to 1989 to have the communist regime set free 34,000 political prisoners and allow the reunion of 250,000 dispersed families.

Measures reserved for the stage of a South-North Commonwealth are centered on the promotion of mutual opening of the press.

In this stage the South could one-sidedly lift control on the viewing of North Korean television programs or subscribing to North Korean newspapers, and, based thereon, ask North Korea to reciprocate it, the source added.

Inter-Korean Talks Prospects Heard at Assembly

SK1001061794 Seoul YONHAP in English 0556 GMT 10 Jan 94

[Text] Seoul, Jan. 10 (YONHAP)—Deputy Prime Minister Yi Yong-tok predicted Monday that Pyongyang will agree to resume inter- Korean talks once enough time has passed.

"Pyongyang will soon recognize that mutual nuclear inspection between South and North Korea to implement the South-North non- nuclear declaration is an unchangeable position of South Korea and the United States as Pyongyang-Washington negotiations make progress," Yi, who is also unification minister, told the National Assembly Foreign Affairs and National Unification Committee.

The two Koreas were negotiating an exchange of special envoys when working-level contacts were abruptly suspended by the North in early November last year. Seoul had asked that the special envoys discuss the North Korean nuclear problem and summit talks, but Pyongyang insisted they should only talk about a summit.

"We cannot rule out the possibility that an exchange of special envoys to settle North Korea's nuclear problem can be realized and that, with gradual settlement of the nuclear problem, inter-Korean exchanges and cooperation in the fields of personnel and materials will be promoted little by little," he said.

Yi said he also expected North Korea to propose a contact and exchange of personnel with private organizations in South Korea in a bid to weaken the government's position.

North Korea, which has reinforced its underground military facilities and saved enough war materials to fight without outside help for up to five months, is expected to maintain its war mobilization posture this year, he said.

"North Korea is developing a SCUD-E (Nodong-2) missile as a strategic weapon and has expanded its SCUD regiment to a SCUD brigade," he said.

Yi explained the government's basic policy on the North and said that the government, if it judges that North Korean nuclear transparency is secured, will begin putting into practice the projects contained in the basic and attached North-South agreements.

"The reunion of divided family members, which could help alleviate their agony and sadness, should not be delayed any longer. It is a basic human matter transcending ideology and political system," he said.

To bring about reunions, Seoul will establish a meeting house in Panmunjom where members of separated families from South and North can meet and a post office where mail can be exchanged, he said.

The South will actively push ahead with consultations with the North on ways to allow old people to visit their birthplaces in the other half, Yi said.

North Intelligence Unit Shifted to Defense Commission

SK1001062894 Seoul KBS-1 Radio Network in Korean 0500 GMT 10 Jan 94

[Excerpts] Amid the expectation that North Korea and the International Atomic Energy Agency will resume contacts early this week to adjust their positions regarding the nuclear inspection, the National Assembly's Foreign Affairs and Reunification Committee held a plenary meeting on 10 January to discuss the prospects of the North Korean nuclear issue and South-North dialogue after listening to a government report on the recent trends in North Korea.

The following is a report by reporter Han Yong-kyu from the National Assembly:

[Begin Han recording] [Passage omitted] In today's report, the National Unification Board [NUB] reported that North Korea deployed over 40 camps and 300 ground-to- air guns near Yongbyon where nuclear facilities are located before and after it announced its withdrawal from the Nuclear Nonproliferation Treaty last year, and that it conducted 21 air drills last year. It was also revealed that North Korea reinforced and upgraded the branch commands of Yanggang, Chagang, and North Hwanghae Provinces to divisions and expanded its SCUD missile regiment to brigade.

The NUB reported that as a part of North Korea's effort to strengthen the system for Kim Chong-il's succession, North Korea shifted the Public Security Ministry, an intelligence organization, to the National Defense Commission, controlled by Kim Chong-il, and strengthened its power. [passage omitted] [end recording]

Ex-No Aide Said Seeking U.S. Resident Status

SK0901045494 Seoul THE KOREA HERALD in English 9 Jan 94 p 1

[Text] Kim Chong-hwi, who was a top aide to ex-President No Tae-u on foreign affairs and national security, is reportedly seeking status as a permanent resident of the United States.

Kim has been sought by the government since last year for his alleged involvement in irregularities in the nation's military build-up program, Yulgok.

A local newspaper report yesterday said Kim, who has been in the United States since May 1993, has recently filed an application for permanent residentship with the U.S. government.

The report added there is possibility that Kim may seek political asylum in the United States to avoid Seoul's investigation.

But officials of the Foreign Ministry in Seoul said they have no such information. They said the U.S. State Department is expected to notify them when such a celebrity as Kim seeks a U.S. residentship. But there were no such report from the U.S. government concerning Kim, the officials said.

Nor has the ministry any plans to inquire with the U.S. government about the matter at the moment, they said.

The officials doubted the possibility that Kim had filed a request with the U.S. government. They said Kim doesn't need new permission to stay in America for his visa still holds good for a few more years.

Kim went to the United States in May 1993, three months after the inauguration of the Kim Yong-sam government, at the invitation of a research institute in Washington.

He has not returned home since then, even when his mother died late last year.

Diamond Maker To Appeal U.S. Court Decision

SK0801234494 Seoul CHUNGANG ILBO in Korean 8 Jan 94 p 6

[Excerpt] A U.S. court has ordered Ilchin, a ROK company, to stop producing industrial diamonds, ruling that Ilchin had used General Electric [GE] technology. Ilchin decided not to accept the ruling. Therefore, it is expected that an intellectual property dispute in trade relations will emerge between the ROK and the United States.

Yi Kwan-u, who represents Ilchin, said on 8 January: "We cannot accept the U.S. court ruling that Ilchin must suspend production for the next seven years because it used GE technology." He added: "We will immediately appeal the ruling."

He also said: "Ilchin and the Korea Advanced Institute of Science and Technology developed the technology after three years of joint research. We even presented the letter of technological research contract to the U.S. court as evidence. However, the U.S. court only accepted GE's allegation. We cannot understand this."

In October 1989, GE filed a suit against Ilchin in a Boston court, contending that "Ilchin obtained the core technology from (Song Tsienming), a Chinese technician who had left GE."

The U.S. court ruled Ilchin lost the case, stating that "it should have known that the data the former GE technician provided was GE's." However, Ilchin said that it had received technological advice from the Chinese technician and had not applied in production the technology he provided because most of it was outdated. [passage omitted]

Students Protest U.S. Pressure to Open Market

SK0801102994 Seoul KBS-1 Radio Network in Korean 1018 GMT 8 Jan 94

[Text] Approximately 800 students of the National Federation of General Student Councils [Hanchongnyon] staged a demonstration in front of the U.S. Embassy in Seoul to protest U.S. pressure to open ROK markets. After assembling at the City Hall subway station and other places, the students occupied the street in front of the embassy and staged a sit-in for 40 minutes. All the students were taken to the police station and are now under questioning.

Citizens Coalition Delivers Farm Policy Recommendation

SK1001034094 Seoul YONHAP in English 0256 GMT 10 Jan 94

[Text] Seoul, Jan. 10 (YONHAP)—Leaders of the Citizens' Coalition for Economic Justice [CCEJ] delivered a policy recommendation to Prime Minister Yi Hoe-chang on Monday morning that criticises the government's handling of the Uruguay Round [UR] trade talks.

CCEJ Secretary-General So Kyong-sok said that there had been problems during the Uruguay Round talks, and he called on the government to take measures to revive agriculture and rural economy in coping with rice market opening.

So said the lack of experts caused by frequent reshuffles of concerned public officials, the absence of an active negotiating strategy and the lack of investment in rural areas during negotiations were problems noticed in the course of handling the UR talks.

The government should fully support farmers' and fishermen's organizations and the fund for this support should be supplied by the non-agricultural and urban sectors, the policy recommendation says.

While predicting farm products market opening will affect not only related industries such as fertilizer, farm machinery and farm products processing but living conditions in urban areas because of migration to cities, it calls on the government to take measures as early as possible.

Regime Back to 'Old Methods' of Price Control

SK0901034194 Seoul THE KOREA HERALD in English 9 Jan 94 p 8

[Text] The government's new economic team, buckling under to mounting pressure from the public and political parties, has abandoned its plan to shift its price policy from direct to indirect controls.

At Friday's meeting of working-level officials on price stabilization, the participants decided to resort to old methods based on "administrative guidance" to control the prices of some commodities and services which have recently shown signs of increasing.

Among major steps decided in the meeting were to increase the number of commodities and services to be subject for special price control from the previous 20 to 30, including rice, sugar and underwear, the prices of which will be curbed within 5 percent. The government's antitrust watchdog and tax authorities will conduct investigations into businesses which raise prices.

Some businesses, apparently threatened with the government's adamant anti-inflationary stance, backed away from their planned price hikes.

Domestic auto makers, which had announced plans to raise the prices of some models by up to 400,000 won ($500), have changed their minds. Makers of coffee and soft drinks who have recently increased their prices will likely soon follow the example of auto companies, industry sources said yesterday.

The price spiral has been triggered by the recent remarks of Chong Chae-sok, new deputy prime minister and minister of economic planning. The government's top economic official, as soon as he was inaugurated, made it clear that the government will allow some public service charges which had long been forced down to go up, reflecting cost-push factors. Chong's remarks were followed by actual raise in transportation fares and cigarette prices, giving a much-anticipated excuse for private industries to follow the government's example.

Chong, faced with mounting concerns in various sectors of society about the resurging specter of inflation, later retreated from his initial position, which he said was aimed at respecting market forces and giving a freer hand to the private sector to strengthen competitiveness.

Thanks to the swift return to old inflation-combating methods, the brief but turbulent social turmoil rooted in deep fears about price pressure will likely subside, at least for the moment.

Damaged amid this uproar will once again be the administrative credibility, analysts said. Also, price stabilization will likely re-emerge as the most contentious issue in Korean society this year, when and if the government appears to let up its tight inflationary control, they said.

The price controversy which hit the domestic economy from the start of 1994, however, should in no way affect the new economic team's much-heralded policy switch to give priority to market force and the private sector, the analysts said.

Deputy Prime Minister on Opening, Deregulation

SK0801083594 Seoul THE KOREA HERALD in English 8 Jan 94 p 8, 9

[By staff reporter Choe Song-chin]

[Text] President Kim Yong-sam Thursday [6 January] declared 1994 as the year for strengthening Korea's international competitiveness, a proclamation which surprised few. The President's first year in office, despite many remarkable achievements in political and social arenas, lost some of its luster because of his failure to bring about the much-hoped-for economic recovery.

Even the "new economic five-year plan" ambitiously launched by Kim's administration could hardly turn the adverse economic tide at home and abroad in its first year, which ended with rather disappointing economic growth of 4.9 percent. On top of this, the recent conclusion of global free trade talks will expose domestic industry to fiercer competition than ever with foreigners.

Taking the nation's economic helm at this difficult moment was Chong Chae-sok, who was sworn in as the new deputy prime minister and minister of the Economic Planning Board (EPB) in last December's cabinet reshuffle, which also affected 13 other ministers. Ever since his inauguration more than two weeks ago, the 63-year-old new EPB minister, known for both his economic expertise based on long experience and his strong personality, has been the focus of attention within the government and business circles. In a joint written interview with the EPB press Chong stresses bolder internationalization and deregulation as the keys to Korea's economic survival.

Q: Korea's internationalizing strategy, though appearing quite innovative to Koreans themselves, still falls short of meeting foreigners' expectations. Can't you come up with a bolder market-opening program, including a complete lifting of bans on capital movement?

A: To induce more foreign capital, we need to change our way of thinking as a whole. Numerous administrative regulations on direct foreign investments should be improved and complex procedures simplified.

More fundamental problems are financial restrictions, poor infrastructure and labor problems, which combine to make the overall business environment here worse than that in industrial countries. Our internationalizing strategy should start with improving this business environment not only for foreigners but also for domestic companies.

Q: Despite the continuous administrative deregulation pursued by the Kim administration, businessmen say they hardly feel the effect. Why so and how would you overcome the bureaucratic resistance to bolder deregulation?

A: I have been briefed that out of the 966 targets for deregulation, 751 have been completed. The problem is that actual implementation of a new system takes some time to be felt by business people.

With new approaches and resolve, the government will push ahead with deregulation. It will soon come up with a more systematic and comprehensive program, suited to the diverse functions and sectors of businesses.

Q: You mentioned the need to raise prices, including public service rates, to a "realistic level," which sparked speculation among businesses that the new deputy premier had shifted the keynote of economic policy from stability to growth. What is your position?

A: Stability is a must for growth, and the most important thing in economic operations is to balance these two elements. I will pursue the objective of reinvigorating the economy while working for price stabilization, a policy which will be explained in detail in this year's economic operation plan to be reported to the President next Tuesday.

Q: You have often expressed an intention to rectify the distorted price structure by raising public service charges when the need arises. Is there any change in such position?

A: I believe extreme caution is needed in raising public service charges in view of their enormous effect on overall commodity prices. It is true that the excessive curbing of public service rates has resulted in distorting the price structure, degrading the price structure, degrading the quality of services and weakening our competitive edge.

Still, the government will keep the price of public services to a minimum level by more efficient management of state-run corporations. It also will try to ensure price stabilization of daily necessities, minimize the price raise of manufactured goods and crack down on illegal or unfair price hikes.

Q: Analysts say that limiting wage increases and prevention of labor disputes will be the two biggest economic concerns this year. What do you think?

A: To win in the unlimited competition in the coming era of global borderless business, we must have industrial peace and technological development. Because all of us know that wage increases in excess of productivity gains have been one of the biggest factors weakening the nation's competitive edge, I am sure that both labor and management will cooperate now.

Q: What is your plan to revive the agricultural sector, hardest hit by the successful settlement of the Uruguay Round trade negotiations?

A: So far, farm policy has been a defensive policy of protecting the weak sector. From now on, we will turn to a more aggressive approach by helping the domestic farm industry sharpen its competitive edge.

More specifically, the government will accelerate structural adjustment, rationalize the farmland ownership system and improve the farm administration to better suit the international trends.

For this purpose, the "Rural Development Tax" will be introduced as proposed earlier, and the government will, taking the views from all sectors of society into consideration, come up with a comprehensive policy package by the end of June.

Q: What change have you found in the government's role between 1979, when you served as the last trade minister of the late President Pak Chong-hui, and now?

A: We are now living in a democratized, deregulated and internationalized era. The government's role should also change from that of a guider to helper.

Particularly, it should play the role as the fair supervisor of the economy, while supplying social infrastructure, fostering human resources and protecting the environment.

Foreign Ministry To Restructure Trade Negotiators

SK0801022294 Seoul YONHAP in English 0044 GMT 8 Jan 94

[Text] Seoul, Jan. 8 (YONHAP)—The Foreign Ministry plans to restructure its trade negotiation team, installing bureaus for multilateral economic and environmental issues, officials said Saturday.

One of the additions, which has been tentatively named the "Economic Cooperation and Environment Bureau," will handle talks with developing countries.

The "Economic Organizations Bureau" will take up multilateral negotiations such as the General Agreement on Tariffs and Trade (GATT), World Trade Organization (WTO), Organization for Economic Cooperation and Development (OECD) and U.N. Development Program (UNDP).

The current International Trade Bureau will be responsible for bilateral trade negotiations with added functions in aviation and maritime talks, officials said.

The changes will be proposed to President Kim Yong-sam in the ministry's New Year report Jan. 21.

The ministry is considering hiring Koreans with foreign citizenship for the new bureaus to promote South Korean participation in multilateral trade organizations, according to the officials.

This plan calls for hiring 50 to 100 people of Korean ancestry with degrees in economics and professional backgrounds in related fields. They will be placed at the foreign and other ministries.

Various Foreign Firms Face Large Penalty Taxes

SK0901061594 Seoul YONHAP in English 0557 GMT 9 Jan 94

[Text] Seoul, Jan. 9 (YONHAP)—Cases of tax evasion by some foreign firms in Korea are feared to escalate into diplomatic squabbles as their home governments come to their rescue showering the Seoul government with a barrage of protests.

The National Tax Administration has found out in its year-long tax inspection that ICI Korea Co. of the United Kingdom and six to seven other foreign firms doing business in Korea has dodged large amounts of tax.

"The taxes dodged by ICI Korea, BASF Korea and Hoechst Korea are especially large, running to the 10- to 20-billion-won level each," a government official said on Sunday. Both BASF and Hoechst are German firms.

The tax inspection was launched in February last year into 25 major foreign firms.

The official said the tax office will soon wind up the probe and formally notify them of the amount of penalty taxes to be collected.

The foreign firms involved react furiously against the tax office's move, lodging protests with the government and threatening, in some instances, to withdraw from Korea unless the penalty taxes are withdrawn.

British Minister of State Alastair Goodlad called on Vice Foreign Minister Hong Sun-yong during his recent visit to Seoul asking him to see to it that the penalty taxes on ICI Korea be reassessed downward.

Germany and the Netherlands have filed letters of protests to the Foreign Ministry and tax administration against the penalty taxes on their firms in Korea.

Besides, the head of the European Chamber of Commerce (ECC) in Korea visited the Foreign Ministry to express protest. He has gone so far as to flash a petition to the OECD (Organization for Economic Cooperation and Development) headquarters at last year end against the penalty taxes, a source said.

He suggested in the petition that South Korea has been imposing undue taxes on foreign firms and should therefore be kept from joining the OECD, the source said.

An ICI Korea official complained, "foreign trading firms are supposed to pay tax only on commission fees they received on foreign commodities imported. But, the Korean tax office is trying to assess tax on the whole sales of imported goods."

He said his firm would have no choice but to seriously consider pulling out of Korea if the huge penalty tax is actually assessed.

South Korean officials say the foreign firms involved have expressly dodged taxes in breach of the law of the land and also international practices.

"Since these firms are fixed business concerns under the tax law which directly marketed imported goods locally, they should naturally pay taxes on their whole sales," a tax administration official said.

He said that in light of tax laws both at home and abroad, there is no problem at all in the collection of penalty tax retroactive to five years before.

"It is proper for the tax administration to collect the penalty taxes. This is a customary practice done in foreign countries as well," a Foreign Ministry official said.

Incentives Sought For Public Project Investment

SK0901040494 Seoul THE KOREA TIMES in English 9 Jan 94 p 8

[By staff reporter Sa Tong-sok]

[Text] A package of new incentives are being drawn up by the government to induce more private capital into social infrastructure construction projects such as roads and railways.

These forays will include allowing private companies to introduce commercial loans for investment in facilities and granting massive tax breaks to participating companies, an official at the Economic Planning Board [EPB] said.

At the same time, participating companies belonging to the 30 largest business groups will be exempted from the application of intricate rules of investment ceiling stipulated in the Monopoly Regulation and Fair Trade Act for up to 30 years, the EPB said.

The EPB said these incentives will be contained in a new draft bill now in the making. It is learned that the government is due to complete the formation of the bill by this weekend and the bill will go before the Democratic Liberal Party-controlled National Assembly for legislation.

Officials said these incentives will be effective in encouraging private companies to take part in the expansion of social overhead capital projects.

Specifically, allowing private companies to introduce low-interest commercial loans for their investments in facilities will boost corporate eagerness to take part in the expansion of social overhead capital, the officials said.

With regard to tax reductions, the government is allegedly planning to cut acquisition, registration and corporate taxes.

The government has been preparing legislation to give the private sector greater incentives to invest in public-works projects in its belief that government spending alone is unable to offer a clear-cut solution to the looming shortage of infrastructure. [passage omitted]

In the past, the government had sought to encourage private companies to invest in infrastructure but withdrew its plan in the face of strong criticism about any "special favors" for the large business conglomerates known as chaebol.

Conglomerates, for their parts, were also reluctant to get involved in taking part in infrastructure projects as the government didn't allow them to charge sufficient tolls to recoup their investments.

This time, however, the government appears more aggressive. "The government is mulling substantial incentives for participants to ensure returns on their investments which were hardly expected under the past regime," an EPB official said.

Under the new law, companies will be given more freedom to levy tolls and rents from the public-sector projects in order to help them recover their investments more easily.

They may also be allowed to build leisure and tourist facilities alongside the roads or railways to attract more users.

Defense Dissolves Arms Joint Investigation Team

SK0801080094 Seoul YONHAP in English 0524 GMT 8 Jan 94

[Text] Seoul, Jan. 8 (YONHAP)—The Defense Ministry on Saturday [8 January] dissolved the joint military-prosecution investigation team that was formed to look into an arms purchase fraud, and gave the military prosecution the task of hunting down the suspected masterminds—Chu Kwang-yong and Jean-Rene Fuan.

Chu, Korean agent of the French arms dealer, is believed to be either in the United States or Northeast Asia. He fled the country Dec. 15.

The military prosecution is seeking to catch Fuan in a way that minimizes international diplomatic friction, and will consult with the Foreign Ministry and maintain close ties with law-enforcement agencies in countries such as France.

The military prosecution freed an Army colonel and Navy captain in charge of overseas procurement at the Defense Logistics Agency on Saturday, suspending the charges against them.

The duo are Col. Yun Sam-song, head of the agency's overseas procurement office, and Capt. To Chong-il, a division chief in Yun's office.

The two officers and a Defense Ministry civilian, who was also released, will be referred to a disciplinary panel, a Ministry source said.

The Ministry said Friday [7 January] the probe had revealed that the 6.7 million-U.S.-dollar shell fraud was the product of a conspiracy between Fuan and Chu.

Burma

SLORC To Hold Talks With Rebel Groups

BK0901105794 Rangoon Burma Television Network in Burmese 1330 GMT 8 Jan 94

["Excerpts" of Lieutenant General Khin Nyunt's address delivered at city hall in Loikaw, Kayah State during his visit on 8 Jan]

[Excerpts] Lieutenant General Khin Nyunt, chairman of the Work Committee for Development of Border Areas and National Races and secretary-1 of the State Law and Order Restoration Council [SLORC], accompanied by Lt. Gen. Maung Thint, minister of development of border areas and national races; Brigadier General Myo Thant, minister of information; Colonel Pe Thein, minister of education; U Khin Maung Thein, minister of energy; construction minister, director generals and managing directors from the respective departments and enterprises, and responsible personnel left Yangon [Rangoon] on a defense services plane this morning. They arrived at Loikaw Airport in Kayah State at 0900 in the morning. [passage omitted]

In his address Lt. Gen. Khin Nyunt said that a delegation led by him visited Loikaw last September [month as heard], and during the meeting with town residents, native village leaders, and departmental personnel, the SLORC invited the jungle-based armed organizations to return to the legal fold so as to meet, coordinate, and to hold discussions for the reunification of national brethren. [passage omitted]

He added that Myanmar [Burma] is a union which comprises various indigenous nationals who reside together. Moreover, in Myanmar the indigenous nationals have been residing unitedly in the union through weal and woe for more than 1,000 years, and it is a country with its own culture. The colonialist-imperialists coveted the country's prosperity, and the abundant natural resources, staging three wars of aggression and enslaving Myanmar. [Passage omitted]. Although it has been over 40 years since independence, regions with the rule of law and tranquility have been developed to a certain extent, while regions infested with insurgency are still lagging behind.

He added that The SLORC's objectives are: the brethren who are indigenous nationals in the union must develop evenly, and all indigenous nationals must have a right to enjoy the taste of independence, which is achieved by all indigenous nationals joining hands and working unitedly. It is realized that national reconciliation is crucial in the implementation of these objectives. That is why, jungle-based armed organizations are invited to return to the legal fold. The state government has been extending this invitation with genuine goodwill and is intent on working for the consistent development of all states, including the border areas; allowing all the indigenous nationals to enjoy the taste of independence; and seeking the rapid development of the whole union.

He said that due to the invitation, the SLORC will meet and coordinate with some jungle-based armed organizations in the near future. The light of hope for peace is emerging. Every one has to continue to work for the full-fledged emergence of this light of hope for peace. In the upcoming meeting, the SLORC will participate with complete sincerity, and honesty. He added that, while people are needed to support this meeting actively and unitedly, the jungle-based armed organizations are also required to hold discussions with genuine goodwill and an honest attitude. These objectives will be accomplished for sure if both parties base their discussions on honesty, and loyalty. He also said that the cabinet ministers are accompanying him to accelerate development activities in Kayah State if it becomes peaceful and tranquil.

He said the light of peace is beginning to emerge in Kayah State and the SLORC is ready to implement rapid regional development in Kayah State once the region becomes stable and tranquil. The SLORC is simply explaining and presenting the state government's genuine attitude and intention to all the indigenous nationals. That is why all people, regardless of their race and religion, and all indigenous nationals who are residing in the Kayah State are needed to work together for the success of SLORC's objectives and aims. [passage omitted]

Rangoon: 52,135 Repatriated from Bangladesh

BK1001070894 Rangoon Radio Burma in Burmese 0630 GMT 10 Jan 94

[Text] In accordance with the coordinated agreement reached between the two countries on the repatriation of those who illegally left Myanmar [Burma] for Bangladesh, a delegation led by Camp Supervisor Mr. (Adam Hussein) from the country on the other side transferred 66 returnees from 19 households to our Kanyinchaung reception center on 8 January.

Since the repatriation began on 22 September 1992, a total of 52,135 persons from 11,694 households who illegally left the country had been accepted so far up to 8 January 1994.

Prisoners Released After Sentences Commuted

BK0801141694 Rangoon Radio Burma in Burmese 1330 GMT 8 Jan 94

[Text] It has been learned that 21 male and 12 female detainees, against whom action was taken under existing laws and who were serving their sentences, have been released today from Bassein and Ma-ubin Jails after their remaining sentences were commuted according to the Declaration No. 11/92 of the State Law and Order Restoration Council.

Karennis Seek UK Intervention in Peace Talks

BK1001053794 London BBC in Burmese to Burma 1345 GMT 9 Jan 94

[Dispatch from Neil Kelly, correspondent in Bangkok]

[Text] Leaders of the Karenni [or Kayah] nationals in Burma have appealed to British Prime Minister John Major to intervene in their long struggle for independence. Meanwhile, other ethnic groups have been holding peace talks with the Burmese Government and the Karenni are in danger of becoming the only group left fighting the Burmese Government.

Karenni is a branch of the Karen ethnic group—the biggest ethnic group in Burma. There are reports that Karens are on the threshold of ending its 45-year hostility against the Burmese Government.

In a letter to the Prime Minister's Office in London's Downing Street, the Karenni provisional government based in northern Thailand, has appealed to the British Government to play a leading role in supervising their peace talks with Rangoon. The letter of appeal also said that the Karenni State would have been given protection by the British Government had the Conservative government been in power when Burma gained independence from Britain in 1948. The letter also cited documents which stated that the Karenni State was a British protectorate during the colonial era and was never a part of the Indian Empire or Burma.

Britain's official view is that the official representatives of the Karenni State, which now has a population of over 300,000, chose the path of independence and to jointly work with Burma at the time of independence.

In an interview with the BBC, the Karenni foreign minister, Abel Tweed, said he wanted Britain to mediate in the peace talks. He said Britain has growing sympathy for the Karenni, and that it could still do a lot for the Karenni's goal.

The Karenni has appealed in the past to Britain, India, and Australia to recognize them as an independent state. Abel Tweed also said that although the low-level preliminary peace talks are being held with the Burmese Government at a secret venue inside Karenni territory, full-scale peace talks could not be held as long as the Burmese troops are not withdrawn from Karenni territory and the forceful recruitment of porters and interrogation and imprisonment of people continue.

Rebel Leader Discusses Talks With Junta

BK1001024194 Bangkok THE NATION in English 10 Jan 94 p A4

[Excerpts] THE Burmese junta's calls for ceasefire negotiations with armed ethnic groups have started to bear fruit with the Karen, Karenni and Mon—the final holdout minorities—either being pressed to enter talks or already tied to a "loose truce" with Rangoon. [passage omitted]

"Since the beginning of this year (1993), we have come under increasing pressure from some Thai sources, most probably in the line with the Thai government policy of constructive engagement with Slorc," leaders of the three ethnic groups said in a signed joint letter to one of Thailand's highest institutions.

"Some forms of pressure involve the threat to push our refugees back into the war zone or cut off food supplies, and restricting our travel for medical treatment ...

"Our understanding is that for positive or constructive results, pressure should be applied equally to both sides.

"Actions perceived as not evenhanded could only be counter-productive," they said.

A copy of the Dec 3 letter signed by Karen leader Gen Bo Mya, Karenni leader Saw Maw Reh and Mon leader Nai Shwe Kyin was obtained by THE NATION. [passage omitted]

According to well-informed border sources, the Mon and Slorc agreed at a meeting late last year in Moulmein, in Burma's Mon State, to an "unofficial" or "loose truce deal". The deal effectively ends the fighting in southern Burma's Thaton, Mergui and Tavoy areas.

Several more rounds of talks are needed to finalise details before an actual truce agreement can be concluded, said the sources.

Burmese southern commander Maj Gen Ket Sein headed the Burmese negotiating team while Nai Htaw Mon a senior military affairs officer, led the Mon delegation to the Moulmein meeting.

Meanwhile, the Karenni have delegated a three-member mission to meet Slorc officials this week, according to a senior Karenni leader, Abel Tweed.

He said Karenni Deputy Army Chief Maj Aung Mya will head the team, which also includes Karenni officials Paulu and Shan Reh, to a "preliminary meeting" in Daw Gnew Khu, a small border village of about two-days walk from the Thai border.

Tweed said no agenda has been set. The forum will look into the possibilities of further talks.

Tweed conceded that the bilateral talks could eventually lead to a military ceasefire, but said the Karenni National Progressive Party has not abandoned its political objective of an independent Karenni state.

He expressed the hope that future peace talks would be held in Thailand, and said the Karenni mistrust Slorc too much to ever go to Rangoon.

"They (Slorc) refused to meet in Bangkok or Chiang Mai but if there is some progress from the (first) meeting then we may have the next talks in Thailand... Thai authorities are willing to host peace talks either in Chiang Mai or Mae Hong Son if both sides agree," said Tweed.

Sources said the Burmese armed forces attache in Bangkok, Col Thein Swe, travelled to Mae Hong Son at the end of last year to propose that the two sides meet.

As for the Karen, their leader Gen Bo Mya sent a letter last week to Prime Minister Chuan Likphai urging the Thai government to "persuade" or "pressure" Slorc to enter into a peace dialogue with the collective ethnic opposition.

An informed border source said that the Karen group has finally agreed to meet Rangoon officials to seek out common ground for further truce negotiations.

The source said the group has already appointed a team to engage in "preliminary talks" with Slorc.

It was not known when they will meet. The source added that Gen Bo Mya at a meeting last Friday with a senior Thai security general urged Thailand to host the Karen-Slorc talks.

Bo Mya sent a similar letter, which bears his title as chairman of the Democratic Alliance of Burma (DAB), to Foreign Minister Prasong Sunsiri and Interior Minister Gen Chawalit Yongchaiyut. [passage omitted]

In his letter, Bo Mya accused Slorc of trying to disunite the opposition and warned Rangoon's policy of approaching individual groups would not lead to "a stable peace" or a "comprehensive solution" to the problems in Burma.

"Slorc's insistence, needless to say, could only be viewed as a crude attempt to divide the resistance forces and, at the same time, to improve its international image," he said.

"Moreover, Slorc's approach would never lead to a stable peace as desired by the people, and a comprehensive solution to the problems besetting the country.

"Whatever the circumstances, the DAB is the only organisation that can bring about general reconciliation and peace in the whole country.

"If you have the means to persuade or make pressure bear on Slorc, we would like to urge you to use it for the emergence of a peace negotiation between the Slorc and the DAB as a whole," said the Karen leader.

Brunei, Malaysia & Singapore

Malaysia

Minister Urges Allowing Muslim Troops in Bosnia

BK0901133494 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 9 Jan 94

[Text] Malaysia is urging the United Nations to allow troops from Muslim countries to serve as UNPROFOR [United Nations Protection Force] peacekeepers in Bosnia if Western countries withdraw their forces. Foreign Minister Datuk Abdullah Ahmad Badawi said in Kepala Batas that reports that several Western countries wanted to withdraw their peacekeeping troops from Bosnia were the most serious development. As such, he said Malaysia does not want the withdrawal to cause a vacuum which could be detrimental for the Bosnians who are under Serbian insurgency.

Datuk Abdullah added that Britain, France, and Canada were among several countries which had warned that they might pull out from UNPROFOR if the chaotic situation continued in Bosnia and was endangering their forces. He said Malaysia viewed the statements with concern and hoped the UN would not allow the Bosnians to be left without any means to defend themselves. Any vacuum, apart from complicating the security situation, would also jeopardize UNPROFOR's role in the dispatch of food, clothing, and medical needs. He also urged the UN to lift its arms embargo imposed on former Yugoslavia to enable the Bosnians to secure weapons to defend their nation.

Military Contingent Leaves for Somalia

BK0801065594 Kuala Lumpur BERNAMA in English 0428 GMT 8 Jan 94

[Text] Kuala Lumpur, 8 Jan. (OANA-BERNAMA)—The first batch of 450 men of the Seventh Battalion of the Royal Rangers Regiment (RARD) left here Saturday morning for a six-month tour of duty under the United Nations Operations in Somalia (UNOSOM).

The men, in full combat gear, were seen off by Army Chief Gen. Borhan Ahmad and other army top brass.

Their families were also at the Royal Malaysian Air Force Base in Subang near here to bid them farewell. The Mentakab-based rangers will form the Malaysian Battalion (Malbatt) II in Mogadishu, relieving Malbatt I which comprises mainly members of the mechanised 19th Royal Malay Regiment (RAMD) based in Sungai Petani.

While the members of the 19th RAMD are returning, the rangers are being sent to the Horn of Africa in Batcheas from today. The next flight on the UN-chartered civil aircraft will be on Jan. 10.

Mahathir Appoints New Deputy Finance Minister

BK0801083694 Kuala Lumpur Voice of Malaysia in English 0800 GMT 8 Jan 94

[Text] Senator Mustapha Mohamed has been appointed Deputy Finance Minister to replace Datuk Abdul Ghani Othman, who is now the Youth and Sports Minister.

At the same time, Datuk Dr Ali Abu Sudin Omar has been appointed the parliamentary secretary to the Finance Ministry replacing Senator Mustapha.

Prime Minister Datuk Sri Dr Mahathir Mohamed announced this today.

Cambodia

Khieu Samphan Rejects 'Phnom Penh Party' Conditions

BK0901115594 (Clandestine) Voice of the Great National Union Front of Cambodia in English 0100 GMT 9 Jan 94

[Text] On 6 January His Excellency [H.E.] Khieu Samphan, president of the Democratic Kampuchea Party [DKP], sent a telegram to Samdech Krompreah Norodom Ranariddh, president of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], in reply to the latter's letter of 1 January. The telegram reads as follows:

Samdech Krompreah Norodom Ranariddh, FUNCINPEC president, Phnom Penh

Respected Samdech Krompreah: I would like to acknowledge receipt, with deep and sincere thanks, of Samdech Krompreah's letter of 1 January 1994. May I be permitted to make the following clarifications?

I. The points we agreed upon at our meeting on 17 December 1993 discussed the basis (?that) the cause to be pursued must be the five-point guideline set forth by His Majesty [H.M.] the King. As Samdech Krompreah is fully aware, this five-point guideline clearly stipulates the following:

1. An immediate and complete cease-fire over the whole territory of Cambodia;

2. An immediate and unconditional transfer of the Preah Vihear temple, Pailin, and other Democratic Kampuchea-controlled zones to the state and the government of the Kingdom of Cambodia;

3. The dissolution of the National Army of Democratic Kampuchea [NADK] and its partial inclusion into the Royal Army of Cambodia;

4. The government shall in return give the post of co-ministers, co-vice ministers, co-secretaries of state, and advisers to acceptable personalities of the DKP. H.M. the King would appoint a Democratic Kampuchea high-ranking personality as his senior personal adviser;

5. The DKP and the government must hold talks to settle all the issues.

The points of the five-point guideline cannot be separated one from the other. These five points form a single body to be simultaneously dealt with altogether. H.M. the King has pointed out that the DKP alone cannot make any progress. The government, for its part, must do something through talks.

The essence is clear, that is, the first three points are what the DKP must give to the other side, and the last two points are what the government must give to the DKP in return. Altogether these five points make national reconciliation possible. On the contrary, if one side insists on the other three points, then the other two points cannot be fulfilled. By the same token, if the DKP demands only the two points for itself, then the three points cannot be fulfilled either. In so doing, the five-point guideline cannot be [as heard] materialized.

II. As Samdech Krompreah has been fully aware all along, the Vietnamese communists and the Phnom Penh party have for a long time insisted on their points, namely:

1. An unconditional cease-fire by the national resistance forces;

2. The handing over of Democratic Kampuchea-controlled zones to the Vietnamese-controlled Phnom Penh party;

3. The dissolution of the NADK, which is an important component of the national resistance forces.

Samdech Krompreah may also be well aware of the the fact that our Cambodian nation and people, like the DKP, have not accepted, nor can they accept, these conditions set by the Vietnamese communists and the Phnom Penh party. Our tripartite national resistance forces have also unequivocally rejected them, for they are like a guillotine beheading the national resistance forces enabling the Vietnamese communists and the Phnom Penh party to perpetuate their occupation of Cambodia. This would amount to blotting out our Cambodian nation and people.

The three points of the Vietnamese communists and the Phnom Penh party are the opposite of the five-point guideline of H.M. the King. The former are a scheme aimed at continuing the war in Cambodia, while the five points would lead to national reconciliation. The five-point guideline aims at true national reconciliation without excluding any national force. The DKP would (?thus) be included so that there would be sufficient national forces within the army and the government in order to make them truly national forces. And all the national forces would work together to tackle the present situation, which is worsening day by day, so that peace, independence, national unity, and territorial integrity could be restored.

I sincerely believe that Samdech Krompreah personally wishes to support the five-point guideline of H.M. the King as well. However, the Vietnamese communists and the Phnom Penh party have been resorting to all sorts of maneuvers and pressures to ensure that only the three points are singled out, the aim of which is to dismantle the DKP according to their dark and dirty scheme. They categorically oppose Cambodian national reconciliation since the strategy of the Vietnamese communists and their lackeys is to swallow up Cambodia through a military war and a war conducted by sending massive Vietnamese nationals into the country and to the state power they installed in 1979, which is now running Cambodia.

Thus, as far as the technical group is concerned, and as Samdech Kromopreah is fully aware, we had reached an agreement according to which that group should have no name at all.

I would like to recall that at that time I proposed that the technical group be formed by the representatives of the DKP and FUNCINPEC. However, in case the representatives of the Cambodian People's Party are also included, then those of the [words indistinct] democratic parties should be brought in as well.

The content of Samdech Krompreah's communication of 1 January 1994 has departed from this point of agreement we reached on 17 December last and did not give an answer to my letter of 28 December which I addressed to you. I would like to propose that we should proceed as fast as we can on the basis of what we achieved on 17 December 1993, that is, the points of agreement which I have recalled above.

Please accept, Samdech Krompreah, my high and respectful consideration.

[Signed] Khieu Samphan, president of the DKP
[Dated] 6 January 1994

Sihanouk on Anti-Vietnamese 'Struggle', Rights

BK0801133493 Hong Kong AFP in English 1315 GMT 8 Jan 94

[Excerpts] Phnom Penh, Jan 8, (AFP)—King Norodom Sihanouk has defended Cambodia's human rights record, denying that the rights of the country's ethnic Vietnamese are abused.

Sihanouk, in a statement released by state news agency AKP Saturday, said that apart from Pol Pot's Khmer Rouge, the only anti-Vietnamese pogroms took place after the then Prince Sihanouk was ousted in a 1970 US-backed coup d'etat led by General Lon Nol.

"The non-Khmer Rouges patriotic Cambodians only struggled against the Vietnamese agressors but never allowed the human rights of civilian Vietnamese men and women to be violated," Sihanouk, who is undergoing surgery for cancer in Beijing, said. [passage omitted]

Sihanouk said an "Australian personality" made the accusation during an interview with BBC television.

Sihanouk turned the accusation around, asking: "Were the white Australians themselves perfectly irreproachable in their policies and acts towards the (non-white) ethnic minority who were the original owners of Australia?". [passage omitted]

Some 20,000 ethnic Vietnamese fishing people fled Cambodia in the run-up to last May's U.N.-supervised elections to escape a Khmer Rouge campaign of ethnic cleansing. [passage omitted]

Although many of the families could speak Khmer and had fished the waters of the Tonle Sap, Cambodia's great lake, for generations and others were married to Cambodians, they found themselves stranded as the government would not let them return.

Sensitive to the effectiveness of Khmer Rouge propaganda, the government said it first needed to draft an immigration law.

But months later, Minister of Information Ieng Mouli said no decision had been made on whether the boat people could return as the law had yet to be discussed.

Government Delegation's PRC Agenda Reviewed

BK1001071994 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 10 Jan 94

[Text] A government official has disclosed that the heads of the royal government of the Kingdom of Cambodia [KOC], Prince Krompreah Norodom Ranariddh, first prime minister; and Hun Sen, KOC second prime minister; and a number of ministers, state secretaries, under state secretaries, and leading officials will pay an official visit to the PRC from 17 January.

This trip by the two heads of the royal government of Cambodia [RGC] is made at the invitation of His Excellency [H.E.] Li Peng, PRC prime minister. It is also their first joint visit since the official establishment of the royal government on 29 September 1993.

It ought to be specified that during this trip to China, the two RGC heads will probably inform King Norodom Sihanouk, who is receiving medical treatment in Beijing, of the royal government's major plans, projects, and principles for 1994.

Political analysts on the Cambodia issue have affirmed that during this visit to Beijing by the two RGC heads—made after the attack by Khmer Rouge troops on Romchang village in the liberated zone of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] on 1 January—discussion and consultation with the king will probably be held concerning the Khmer Rouge, who also want a role in the royal government, because China in the past was a major supporter of the Khmer Rouge.

Khmer Rouge Attack, Rob on Sihanoukville Road

BK0801121694 Hong Kong AFP in English 1154 GMT 8 Jan 94

[Excerpts] Phnom Penh, Jan 8 (AFP)—Khmer Rouge guerrillas and government forces traded fire across the main road to Cambodia's port of Sihanoukville holding up traffic for more than 30 minutes, a police officer said Saturday.

A group of 60 guerrillas seized a stretch of the road about mid-way between the port and the capital early Friday.

The guerrillas proceeded to hold up cars and rob their occupants, the police official said. [passage omitted]

Government forces were sent to the area and traffic was held up as the two sides exchanged fire.

After some 30 minutes the government troops managed to repel the guerrillas, who retreated into nearby forest, and cars were allowed pass, the police officer said.

The officer had no information on casualties.

Another police officer said that the guerrillas were "probably angry" because the government forces had recently attacked their bases in Kompong Speu Province which lies between the capital and the Sihanoukville.

Government forces bombarded Kompong Speu Province Saturday with leaflets urging the guerrillas to defect, a military official said.

One of the leaflets carried an appeal from co-premiers Prince Norodom Ranariddh and Hun Sen which urges the guerrillas " to stop following the belligerent policy of the Khmer Rouge hardliners which will be disastrous for the national society of the whole Kingdom of Cambodia" and called on them to defect quickly.

Printed on the other side of the leaflets were several colour photos of a smiling Ranariddh shaking hands and handing out clothing to guerrillas who had defected.

The text of a second leaflet from the military called on the guerrillas to desert as soon as possible to avoid a "forthcoming confrontation".

Meanwhile Thai immigration officials said they had closed the border crossing at Poipet as government forces attacked nearby Khmer Rouge positions in northwestern Banteay Meanchey Province. It was the first reported clash after a three day lull in the fighting in the area.

Government and Khmer Rouge guerrillas had clashed daily since Thai military officials reported the government had launched an offensive on the guerrillas' bases starting New Year's day.

Meanwhile Minister of Tourism Veng Sereivut said Saturday that "specific measures" were to be taken to ensure security along the road to Sihanoukville.

He refused to elaborate but said the defence and interior ministries had been instructed to do everything possible to maintain security along the vital road. [passage omitted]

Minister Praises, Criticizes Thai Investors

BK1001021194 Bangkok THE NATION in English 10 Jan 94 pp A1, A4

[Excerpts] Phnom Penh—THE Cambodian government hopes Prime Minister Chuan Likphai's visit this week will encourage reputable Thai businessmen to invest in Cambodia and result in the departure of business "cowboys", Cambodian Minister for Economics and Finance Sam Rainsy said yesterday.

Among the preferred investors he named Sahawiriya, Dusit Thani Group and Ital-Thai. Representatives from these companies will be in a delegation of about 50 businessmen who will accompany Chuan to Cambodia on Wednesday.

"We hope that these groups will come to replace (some) existing bad ones," Rainsy told THE NATION.

"Prestigious and honourable businessmen will only come when there is a clear situation and transparency," said Rangsi.

"We have not seen prestigious Thai investors in Cambodia—only middlemen or brokers who came and got licences (to do business) unfairly through private arrangements." [passage omitted]

While maintaining that not all Thai businessmen are bad, Rangsi likened some of them to cowboys intent on plundering the Indians in the far west without respect for the law, regulations sovereignty or national identity.

"If you send only cowboys to Cambodia to look down on us as the far west, you will not have peace and friendship. In return, the Indians will rebel against you," he warned.

Rangsi singled out the Floating Hotel as the worst case, because it was allowed to operate without an official contract.

He did not say to what extent other Thai businesses would be affected, but said the government would look into ways of putting all previous contracts into the regular system.

"They will also have to adapt to the new situation," he said.

However the minister admitted the government would have to rely on Thai investors given the similarity of their experience in economic development which Thailand went through 20 years ago.

He hopes that by learning from the Thai experience, Cambodia can catch up to the present level of development in Thailand within 10 years.

"I hope we will not need 20 years if we can learn to follow, or to avoid, what Thailand went through," Rangsi said.

During Chuan's three-day visit he will sign an agreement to set up a Joint Commission on bilateral relations.

The Thai businessmen will also attend the first major seminar on prospects for trade and investment in Cambodia since the new government took power in November. The seminar will be jointly hosted by Thailand's Board of Investment and Cambodia's newly-established National Investment Committee (NIC).

The government of Cambodia is set to finalize by the end of this month its first investment law, which is crucial to provide a conducive environment for much-needed foreign investors, said Rangsi.

He said the government is also preparing to sign specific bilateral agreements on investment cooperation with each foreign government if such deals are needed to provide more secure investment for them.

"It (the investment law) will be very easy and transparent and includes provisions that leave no room for interpretation and corruption. The law will be the same for everybody," said Rangsi.

Basically, the law will provide more incentives for foreign investment in the government-encouraged sectors, helping create jobs and train inexperienced Cambodians.

The minister cited as priority projects the processing industry, namely rubber plant, food processing and furniture factories. Among incentives to investment are five-year business and corporate tax holidays, tax exemptions for the import of raw materials and transferring of profits back to the home countries. [passage omitted]

Rangsi asked Thailand to help give Cambodians expertise in tax collecting and training on customs procedures.

He will raise the request with his Thai counterpart Tharin Nimmanhemin, who is accompanying Chuan.

The minister said he already wrote Tharin about such requests following their meeting at the World Bank and IMF meeting in New York in October.

Chea Sim Asks For Armed Forces Unity

BK0901102794 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 9 Jan 94

[Text] Yesterday [8 January], Samdech Chea Sim, acting head of state and chairman of the National Assembly, visited troops of the Khmer Royal Armed Forces [KRAF] in Division 1 in the Kirirom area and also visited the area's major tourist sites. Accompanying him on this trip were His Excellency General Tie Banh, co-defense minister; princes; excellencies; and many officials from the National Defense Ministry.

Speaking on this occasion, Samdech Chea Sim most cordially and warmly enquired about life in the KRAF's Division 1, which is stationed in Kirirom. He further said that there are two tasks for Division 1: first, defend the Kirirom area and protect the local natural resources; and second, build bridges and roads coming into Kirirom. Samdech Chea Sim also called on the officers and men in charge of the entire area to continue further heightening their spirit of responsibility in the protection of the area's natural resources as well as in the speedy and timely construction of roads and bridges leading to the Kirirom area. He also appealed to Division 1 to strengthen and expand national unity with forces from all political parties in order to become the KRAF under the direct leadership of the Royal Government of the Kingdom of Cambodia.

Samdech Chea Sim also distributed some gifts in the form of foodstuff to officers and men stationed in the Kirirom area.

Heng Samrin at CPP Meeting on 7 Jan Victory Day

BK0801090194 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 7 Jan 94

[Text] On the afternoon of 7 January at the office of the Cambodian People's Party [CPP], a meeting was held to mark the 15th anniversary of the 7 January 1979 victory day. High-ranking leaders of the CPP attending this meeting were His Excellency [H.E.] Heng Samrin, the party's honorary chairman; H.E. Samdech Chea Sim, chairman of the party Central Committee; H.E. Hun Sen, vice chairman of the party Central Committee; members of the standing committee and of the CPP Central Committee; and thousands of CPP members. Furthermore, personalities representing a number of political parties taking part in the May 1993 general elections; representatives of international organizations; ambassadors of some countries in Cambodia; and representatives of the clergy, intellectuals, students, workers, farmers, ethnic groups, and the armed forces were also invited to attend.

Speaking at this big meeting H.E. Heng Samrin, CPP honorary chairman, stressed that we always remember the great and energetic movement of our people throughout the country under the banner of the front for national salvation of Cambodia and the leadership of the CPP that helped save the nation and the motherland and won back the rights, freedom, and hope that were lost. As a result, conditions were created for the revival of various achievements that had been brought about after national independence 40 years ago.

H.E. Heng Samrin affirmed that without the 7 January 1979 victory day, the history of our country and nation—famous for building the wonderful Angkor civilization—would have been very unjustly concluded. H.E. Heng Samrin said proudly that we now have a progressive constitution genuinely born of the people's aspiration. We have rebuilt the Kingdom of Cambodia under the banner of Nation, Religion, and King, which is the the symbol of solidarity, peace, and progress. Under the roof of the constitution, our land and people are united; no person or force can break up our land and people. Going against this goal is a crime that can destroy the nation—one which the Cambodian people cannot tolerate.

At the end of his speech H.E. Heng Samrin stressed heavily that:

[Begin Heng Samrin recording] The brilliant results achieved by our people are certainly most worthy of pride. However, this is only the preliminary and necessary basis for our motherland's long process. Although vigorous demands to raise economic and social living standards are being made, many large obstacles, and minor ones, confront us. If we are negligent and lack vigilance or make any mistakes, this can certainly push society and the nation back to the great disaster of the past. Therefore, all of us should clearly understand the significance and the main goals of this historic phase. We should strive to hold aloft the banner of national independence and the banner of great national solidarity to unite the nation with the aim of vigorously rallying all kinds of forces from all circles to defend the nation; building peace, unity, and stability; and promoting social rehabilitation and development.

On this solemn occasion, on behalf of the CPP, we would like to appeal to the clergy, all religious followers, intellectuals, pupils, students, civil servants and officials, workers, employees, the Khmer Royal Armed Forces, the national police, artisans, artists, traders of all ethnic groups, and all citizens in and outside the country to unite around the king; firmly abide by the constitution of the Kingdom of Cambodia; actively take part in successfully implementing the political program of the Royal Government; and strive to defend the social and national achievements in order to reinforce the foundation of happiness and prosperity of our nation. We appeal to various parties, all social forces, and various political forces to sincerely cooperate in implementing multiparty liberal democracy by putting the supreme interests of the nation and people above everything else.

We appeal to all countries the world over, international organizations, and various nongovernmental organizations to continue providing all manner of assistance and support to the poor Cambodian people to help them restore and rebuild the land.

The 7 January spirit will forever remain in the soul of the people. It is a voice reminding all Cambodians to strive to preserve national solidarity in order to defend and build their history and make it shine. The 7 January spirit has again linked us to the nation's past glory and has created a new revival force moving toward a brilliant future. The 7 January spirit is an excellent example of our nation's genuine patriotism. Without the 7 January 1979 day, there would be no life today. [end Heng Samrin recording) [applause]

Ranariddh, Hun Sen at Meeting on Tourism Aims

BK0801084394 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 8 Jan 94

[Excerpt] On the afternoon of 5 January at the office of the Council of Ministers, a meeting was held to discuss the organization and development of tourism in the Kingdom of Cambodia [KOC] in 1994 under the lofty chairmanship of Prince Krompreah Norodom Ranariddh, first prime minister; and His Excellency [H.E.] Hun Sen, KOC second prime minister.

Addressing the meeting H.E. Veng Sereivut, minister of the Council of Ministers and state secretary of the Tourism Ministry, informed the meeting of the plans, organization, and development of tourism in 1994, during which the Tourism Ministry will give priority to three zones: Siem Reap-Angkor, Sihanoukville, and Phnom Penh City. He said that, according to the plans, the three airports in these zones will be expanded and improved, and routes will be opened and security provided along all roads throughout the KOC, particularly the routes along Angkor Thom to Banteay Srei temples. Electricity will be provided in Phnom Penh City and the other two cities. Guards will be posted at temples and guides and interpretors provided at each temple. Felling trees in the Angkor area will immediately be stopped. The Siem Reap River will be dredged and hotels will be given a Cambodian character. Visa formalities will be made easier for tourists and guests. Attention will be paid to improving Kep resort. [passage omitted]

Sirivut Asks French Mayor For Continued Aid

BK1001073394 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 10 Jan 94

[Excerpt] His Excellency [H.E.] Jacques Chirac, former French prime minister and mayor of Paris, and his colleagues arrived in Phnom Penh, capital of the Kingdom of Cambodia [KOC], at 1900 on 9 January for a three-day visit from 9 to 11 January.

At 1730 on the same day, H.E. Jacques Chirac and his colleagues paid a courtesy call on Prince Norodom Sirivut, deputy prime minister and minister of foreign affairs and international cooperation, at the Foreign Ministry.

On this occasion, Prince Norodom Sirivut thanked the French Republic government for supporting the KOC in the past and its continued assistance in Cambodia's rehabilitation. The prince informed the guests about the current political and economic situation in Cambodia. Prince Norodom Sirivut called on the French Government for economic cooperation, namely to get France's specialist organization for investment abroad to recognize Cambodia as a stable country to encourage French investors to do business in Cambodia. [passage omitted]

French Flights to Siem Reap, Ho Chi Minh City Begin

BK0801125294 Phnom Penh AKP in English 1003 GMT 8 Jan 93

[Text] Phnom Penh AKP January 8—A French aircraft began regular commercial flights on Friday following an inauguration ceremony at the international airport of Pochentong.

The commencement of flight by the French plane of A.T.R. 72, chartered by the Cambodian Aviation Company at a monthly cost of 238,000 U.S. dollars, is made in accordance with an agreement signed recently in Phnom Penh by the officials of the aviation companies of the two countries, Mr. Tep Hen and Daniel Tomasi.

The 70-seat A.T.R. 72 will perform regular local flight from Phnom Penh to the town of Siem Reap where the famous temples of Angkor Wat is located and the other flight from Phnom Penh to Ho Chi Minh City (Vietnam), said Tep Hen.

Indonesia

Suharto Presents 1994-95 Draft Budget

BK0801130594 Jakarta TVRI Television Network in Indonesian 0331 GMT 6 Jan 94

[Speech by President Suharto presenting the 1994-95 budget to the House of Representatives in Jakarta on 6 January—live]

[Excerpts] [Passage omitted] Honorable session! The draft state budget which I will present to the honorable House is the 1994-95 draft state budget in the first year of the Sixth 5-Year Development Plan. [passage omitted]

We should make more concerted efforts to further lower the inflation rate in 1994—below the 1993 inflation rate. We should make wiser and careful decisions concerning our monetary and fiscal endeavors. We should also anticipate difficulties in obtaining easy access to the supplies of certain commodities—particularly commodities which are important for implementing our development projects. In the effort to further improve our economic efficiency, we need to continue with the deregulation and debureaucratization processes. Several deregulation and debureaucratization measures undertaken should be seriously implemented and secured at the central and district levels. [passage omitted]

We still need attractive foreign assistance to further hasten the pace of our national development. The more we acquire attractive foreign assistance, the lesser will be our export and commercial credit obligations. As such, our foreign debt burden will not impose a heavier burden for us. We truly need to upgrade our efficiency in making full use of all existing foreign assistance. We must avoid wasting the attractive foreign assistance by eliminating all unbeneficial and slow development projects. [passage omitted]

In my state address on 16 August 1993, I presented the estimates that served as the basis for the formulation of the Second Long-term Development Masterplan and the sixth Five- Year Development Plan as well as the main targets to be achieved. Now I want to present the drafts of the sixth Five-Year Development Plan and the 1994-95 budget to the honorable session. I hope to receive comments from the honorable session and I shall pay serious attention to these comments in my efforts to complete the formulation of the sixth Five-Year Development Plan. The 1993 GBHN [Broad Outline of State Policy] stipulates that the second Long- term Development Masterplan is a process of continuity, intensification, expansion, and renewal of the first Long-term Development Masterplan. In the second Long-term Development Masterplan, the Indonesian people are entering a process of take-off toward the realization of a just, prosperous, and autonomous society based on the Pancasila ideology.

The 1993 GBHN on the fundamentals of development has served as a guideline in formulating development plans in the second Long-term Development Masterplan. All development efforts must be directed at consolidating and strengthening our nation's economic independence. To achieve the desired stage of progress and independence, we must make the efforts to achieve reasonably high economic growth during the second Long-term Development Masterplan, or higher than that recorded in the first Long-term Development Masterplan, namely, an average of seven percent annually. Such an economic growth rate must also be supported by a declining population growth rate and be accompanied by structural changes in the job market, which should be more balanced and productive. The population growth rate must be reduced to 0.88 percent annually by the end of the second Long-term Development Masterplan from 1.66 percent annually at the end of the first Long-term Development Masterplan. If we can achieve these two main objectives, per capita income will have increased four-fold by the end of the second Long-term Development Plan, namely, at about U.S. $2,600, based on the prevailing price of goods in the 1989-90 fiscal year. The nominal price will automatically be higher.

We must promote education to make it more available to the people, serve development needs, and produce more qualified manpower. An important step in promoting education in the second Long-term Development Masterplan is the introduction of nine years of compulsory basic education. We only have six-year compulsory education now. We must achieve this target in 10 years, or three Five-year Development Plans at the latest. We will not only make education more available, but also upgrade its quality. Our education will also be more focussed and adjusted to the manpower needs in all fields and sectors of development activities. [passage omitted]

In the sixth Five-year Development Plan, we will try to achieve an average 6.6-percent growth rate annually. We set this growth rate lower than the average rate of the second Long-term Development Masterplan because of the heavy challenges and the need to strengthen our economy. We have set the growth rate of the agricultural sector at 3.4 percent, manufacturing industry at 9.4 percent, and nonoil and nongas industry at 10.3 percent. The growth rate of other sectors are projected at six percent. At the end of the sixth Five-year Development Plan, the growth rate of industrial and agricultural sectors is projected at about 24.1 and 17.6 percent respectively.

The population growth rate will be reduced to about 1.51 percent annually at the end of the sixth Five-year Development Plan from about 1.6 percent at the end of the fifth Five-Year Development Plan. With this level of population growth and economic growth, per capita income will surpass U.S. $1,000, or an increase of about 4.7 percent. [passage omitted]

The improvement of our economy will be reflected in our debt situation and we always make efforts to keep it within safe limits. Indonesia's [words indistinct] is projected to decrease from about 57 percent at the end of the fifth Five-Year Development Plan to 45 percent at the end of the sixth Five-Year Development Plan. We will also make efforts to reduce the debt service ratio [three preceding words in English] from 32 percent to 20 percent.

Efforts will be made to further reduce the role of foreign aid as a source of funds for the development budget during the Sixth 5-Year Development Plan. In the meantime, efforts will be made to further enhance the role of government savings during this period. The share of government savings in the development budget is expected to increase from some 62 percent at the end of the Fifth 5-Year Development Plan to some 68 percent at the end of the Sixth 5-Year Development Plan. In addition, the debt service ratio in the routine expenditure will decrease from some 45 percent to some 33 percent. [passage omitted]

Investments totaling some 660 trillion rupiah will be needed during the Sixth 5-Year Development Plan. This will be 78 percent higher than the actual investment during the Fifth 5-Year Development Plan or 176 percent higher than the projected investment for the Fifth 5-Year Development Plan. To achieve this target, the role of the business circles must be further enhanced because more than 73 percent of the investment is expected to come from the people. The source of investment will be domestic savings conmprising the government's and people's as well as foreign funds. Government savings [words indistinct] before the repayment of loans is estimated to reach some 169 trillion rupiah, while people's savings will amount to some 453 trillion rupiah. Foreign funds are estimated to total some 37 trillion rupiah. Government funds to finance development projects during the Sixth 5-Year Development Plan are estimated to amount to 443.5 trillion rupiah made up of 382 trillion rupiah from internal revenue and 61.5 trillion from foreign loans. Meanwhile, routine expenditure is estimated to reach 267.6 trillion and development expenditure 175.9 trillion rupiah. The state budget is estimated to grow by an average of 12.4 percent annually in the next five years.

Ladies and gentlemen! Internal revenue is estimated to increase from 59.7 trillion rupiah in the first year of the Sixth 5-Year Development Plan to 97.3 trillion rupiah in the last year of the Sixth 5-Year Development Plan. Internal revenue will be optimally increased from the nonoil and nongas sector, particularly various taxes. For this end, intensive and extensive campaigns will be launched to exploit taxes, the actual collection of which is lower than their potential. [passage omitted]

A total of 11.9 million new jobs are expected to be created through various efforts and on the basis of a projected 6.2 percent annual economic growth. The agricultural sector is expected to absorb some 1.9 million workers, the industrial sector some three million, and other sectors seven million. Thus, the rate of open [terbuka] unemployment will be reduced to 0.8 percent at the end of the Sixth 5-Year Development Plan from an estimated 3.2 percent in 1990. [passage omitted]

Honorable Speaker, allow me to briefly outline the perspective and direction of the draft budget for the several, major sectors in the upcoming Sixth Five-Year Development Plan. In the plan, about 6.4 trillion rupiah will be allocated to the agriculture and forestry sectors. The irrigation sectors will receive an allocation of 10.4 trillion rupiah, which will cover the cost of the expansion of water resources, including irrigation. During this development plan, the irrigation sector will be an independent sector, taking into account its increasingly important role vis a vis the other nonagricultural sectors such as the industrial, housing, health, and environment sectors.

Regarding the infrastructure sector, the transportation sector will receive a large allocation of 33 trillion rupiah. Of this amount, 22 trillion rupiah will be allocated for the construction of road infrastructure. The major road infrastructure will be concentrated outside Java, including the construction of roads in the rural regions. Apart from this, the large amount of 21.3 trillion rupiah has also been allocated toward improving energy resources, including the development of a rural electrical supply. By the end of the Sixth Five-Year Development Plan, it is hoped that 79 percent of the community will be able to enjoy an electricity supply compared with only 49 percent at the end of the Fifth Five- Year Development Plan.

The education sector receives one of the highest amounts in the draft budget. In the Sixth Five-Year Development Plan, the education sector will receive an allocation of 20.3 trillion rupiah, which includes the budget for national culture. The health sector will be given greater attention. During the next five years, a budget of 8 trillion rupiah will be allocated to the health and population sectors. Housing and community development sectors will receive an allocation of 5.7 trillion rupiah; this is intended to hasten the pace of construction of houses for low-income groups.

An estimate of 3.62 trillion will be allocated for the science and technology sector. This includes expenditures for the aerospace and maritime sectors, which have been merged and which should be given more attention.

One of the highest allocations in the budget, standing at 34.2 trillion rupiah or 19.45 percent of the total development budget for the Sixth Five-Year Development Plan, is for the regions and the transmigration sector. Regional development will be intensified toward a more equitable distribution of development and a more concrete, dynamic, harmonious, and responsible regional autonomy. [passage omitted]

We have been unable to utilize our economic capacity to its fullest because efficiency and productivity are still below par. As yet, neither a much needed system nor regulations to support our economic institutions has been able to fully function as expected.

In addition, even though there are indications that the global economic situation is heading toward reform, a feeling of instability still prevails. Any increase in exports will face heavy obstacles. The emergence of economic blocs was brought about by political issues which have been interlinked with trade and economic cooperation and also by the existence of new, progressive, and competitive nations. These are factors which could affect our efforts toward increasing our exports. We could possibly be faced with stiffer challenges in our efforts to attract the much-desired foreign resources.

Apart from this, our future plans will also be influenced by oil prices, which are ever declining even though our dependence on oil has been lessened. But in the next five years the role of oil will have a greater influence on our national income and revenues. All these factors should be seriously taken into account when charting our future plans. With the implementation of the GATT agreement in 1994, it is hoped that global trading conflicts will be further lessened. This will provide greater opportunities for us to increase our exports in international markets. However, we will have to face certain consequences. Undoubtedly, our internal market will then be fully opened. This means that our internal market will face greater competition. In that case, we will have no alternative but to upgrade the competitiveness of our internal production with the aim of further widening our export markets.

Honorable members, bearing in mind the global economic situation and based on what we have achieved thus far, we have formulated the 1994-95 draft budget. We plan to set a balanced budget for the first year of the upcoming Sixth Five-Year Development Plan at 69.7 trillion rupiah, which means a 11.9 percent increase over the current budget. The national income from revenues is estimated at 59.7 trillion rupiah and the income from development is estimated at 10 trillion rupiah. This means that the national income is more than 85 percent of the overall income. Routine expenditure is estimated at 42.3 trillion rupiah, while development expenditure will be set at 27.4 trillion rupiah. It can be observed from the total amount that the national expenditure stands at 17.4 trillion rupiah or 10.3 percent more than the state expenditure in the existing budget. Domestic income, which is 59.7 trillion rupiah, is derived from the oil and gas sector, which amounts to 12.8 trillion rupiah, and income from the nonoil and nongas sector is 46.9 trillion rupiah. The income from the nonoil and nongas sector makes up 78.6 percent of the total domestic income. This development is very heartening because the national income is becoming stronger and we are confident of weathering any external turbulence. The income from the gas and oil sector is still needed as one of the major sources of income providing assistance in funding national development. However, with the increasingly important role of revenues, we should not be fully dependent on the income from the oil and gas sector. Following the sharp decline of oil prices in 1986—a decline which has continued up to now, except for the Gulf crisis in 1990—the crude oil price was at around U.S.$16-17 per barrel; however, at the end of 1988 the crude oil price was only U.S.$11-12 per barrel. Therefore, we should be wary and should not hope for crude oil prices to increase again. Recently, there were signs that the crude oil price would again decline because of weakening demand from the industrialized countries and speculation that Iraqi crude oil would re-enter the world market.

The crude oil price has been estimated at U.S.$16 per barrel in the 1994-95 draft budget based on these developments. Therefore, based on these calculations and the production of 1.5 million barrels per day, receipts from the gas and oil sector in the 1994-95 draft budget are expected to amount to 12.8 trillion rupiah. Receipts from the nongas sector amounting to 46.9 trillion rupiah come from the services sector—40.1 trillion rupiah; the nontax sector—4.3 trillion rupiah; and net oil profits—2.3 [figure as heard] trillion rupiah.

The receipts from taxes indicate their important and strategic role in development as a source of funds. This can be seen from the high amount received from taxes. The receipts from taxes in the Fifth Five-Year Development Plan were at an annual average rate of 22 percent. The income from taxes for the 1994-95 draft budget is estimated at 69 percent. Among the receipts from various tax sectors, the biggest portion has been estimated to come from income tax, value added tax, and land and building taxes. The three forms of taxes are the current and future major source tax incomes. As I stated earlier, we cannot be fully dependent on the gas and oil sector to provide us with total income. On the other hand, we have determined to be self-dependent in implementing our development. [passage omitted]

As I stated earlier, domestic income from the nongas sector also included receipts from net oil profit. These receipts are derived from the excess amount from the domestic sale of fuel based on the price of crude oil at U.S.$16 per barrel. In general, the national income from the gas and oil sector experienced a sharp decline due to the lower crude oil price.

Apart from domestic incomes, the estimated receipts from the development are set at 10 trillion rupiah. This figure represents the [word indistinct] from the liquidity of foreign aid, which we received from international organizations and from several countries. The amount is 4.8 percent more than the receipts from development in the existing budget. The relatively low increase indicates the lesser role of foreign aid in funding development. Allow me to further clarify the basic national expenditure, which are made up of routine and development expenditures.

Routine expenditure is estimated at 42.3 trillion rupiah, which means an increase of 14.2 percent over current expenditure. Of that amount, nearly half—that is, 20.1 trillion rupiah [words indistinct].

The current national funds should be utilized for development. Because of this, the pay rise for civil servants and members of the Indonesian Armed Forces cannot yet be implemented. If the country's future situation warrants it, the government will definitely honor its obligation. Regarding the routine expenditure, it is estimated that the subsistence allowance for armed forces personnel will be increased from 1,800 rupiah to 3,000 rupiah per day.

Honorable members, with domestic income totalling 50.9 trillion and routine expenditure for administration totalling 42.3 trillion rupiah, then the national savings in the 1994-95 budget are estimated to be 17.4 trillion rupiah. This amount will be used to fund a large portion of the development allocation, which stands at 27.4 trillion rupiah. A balance of 10 trillion rupiah is development expenditure in the form of [words indistinct] project aid. It is then clear that the portion from development expenditure has utilized more national savings. Besides, since the 1991-92 fiscal year, the amount subsidized by national savings has exceeded the subsidized amount from project aid. This means that we are becoming more self-reliant in funding our development.

Honorable members, I shall continue to clarify the broad guidelines on development expenditure. The amount for development expenditure is estimated at 27.4 trillion rupiah or an increase of 8.6 percent compared with the current budget. This is not a heavy increase. On the other hand, on entering the Sixth Five-Year Development Master Plan, the government will be given heavier responsibilities by parliament. [passage omitted] These are the priorities which should be given to the allocations for development:

1. To complete and continue all ongoing projects;
2. To fully utilize all the allocations for the implementation of projects;
3. To provide allocations tapped from the development expenditures for operational and management purposes;
4. To fund the development projects within the framework of trying to achieve the development objectives. [passage omitted]

All presidential funds will total just over 5.3 trillion rupiah. This will represent a 10-percent increase over the current fiscal year, generally because the scope of presidential programs will be expanded and particularly because a new presidential program for backward villages has been created. I presented to the House the main points of the new presidential program on 16 August. Every village categorized as being backward will be given 20 million rupiah unless it has already been taken care of under the current coordinated territorial development program. The total funds for the backward villages are estimated to amount to 389 billion rupiah. Beginning the first fiscal year of the Sixth 5-Year Development Plan, some presidential programs will be simplified by according greater responsibility to regions. This step shows our serious determination to develop regional autonomy more concretely, harmoniously, dynamically, and responsibly. Emphasis will be placed on second-level regions. This also shows our greater confidence in the ability of our development officials in the regions. Presidential funds for villages will be increased. Every village will get additional aid of 500,000 rupiah. Thus, every village will get six million rupiah in aid. Of this amount, one million will be used for family welfare development. The additional aid of 500,000 rupiah will be used primarily for village child and youth development. Thus, presidential funds for villages will total 423 billion rupiah or an increase of 8.5 percent. Presidential programs for second-level regions will also be enhanced. More aid for these programs will be proportionate to their areas.

Beginning the next fiscal year, every second-level region will get additional aid on the basis of its area—20,000 rupiah for every square kilometer. The additional aid is aimed at helping develop backward areas, which are generally remote due to their vastness and inaccessibility. Additional aid will also be given to second-level regions whose areas are made up of populated islands. This additional aid will be useful particularly for vast regions made up of islands in Eastern Indonesia. Based on these considerations, 2.4 trillion rupiah has been earmarked for presidential programs in second-level regions. This will represent an increase of some 135 percent over the current fiscal year. In the meantime, presidential funds for first-level regions will increase to 1.2 trillion rupiah, an increase of 55 percent over the current funds. There will be a slight increase in aid for first-level regions from 56,000 rupiah to 60,000 for every square kilometer. Additional aid will also be earmarked for monitoring development projects in first-level regions. Thus, sectional and regional coordination will be enhanced in these regions. [passage omitted]

The second, third, and fifth biggest sectors in terms of fund allocations pertain to infrastructure. Transport is to receive over 5.2 trillion or 19 percent of the total development budget. Mining and energy is to get 3.5 trillion rupiah, most of which will be used to generate electricity. Almost 1.7 trillion rupiah will be for irrigation as the fifth largest sector.

Being the fourth biggest sector, education, national culture, religion, youth, and sports will receive some 3 trillion rupiah. About 97 percent of the amount will be used for education, including extracurricular education and official training programs. The amount has been greatly increased primarily to support a 9-year compulsory basic education program, which will begin in the next fiscal year. Similarly, religious education will also get a much bigger funding as part of the 9-year compulsory basic education program.

Only two other sectors will be allocated over 1 trillion rupiah each. Some 1.1 trillion and just over 1 trillion will be allocated to defense and security and health respectively. Health development will continue to get top priority as part of efforts to enhance the quality of human resources. Agriculture, which is currently under the combined sector of agriculture and irrigation, will receive 990 billion rupiah, while housing and settlement will get some 888 billion rupiah.

The fact that other sectors will not receive huge funds does not mean that they will receive less priority. They will receive the smaller funds because they have different needs to sectors which will need huge investment. The industrial sector, for example, will receive a relatively small development fund of 450 billion rupiah, although industries will be an important sector during the Sixth Five-Year Development Plan. Essentially, industrial development is undertaken by the business circles, including state enterprises, while the government plays mainly a guiding or supervisory role and creates a healthy climate in which the industries can grow. [passage omitted]

Fishermen Attack Thai Boats in Aceh Province

BK0801072694 Hong Kong AFP in English 0445 GMT 8 Jan 94

[Text] Banda Aceh, Indonesia, Jan 8 (AFP)—Hundreds of Indonesian fishermen in the nortwestern province of Aceh have attacked several Thai boats off the province's west coast, but no casualties were reported, a source said here Saturday.

Armed with Molotov bombs and metal weapons, the local fishermen aboard some 30 to 45 motor boats Friday attacked several Thai boats operating in the waters off the west coast of Aceh, the source said.

"Several Thai fishermen were injured, but there were no casualties," the source said.

Deputy Police Chief Major Wahid confirmed the report.

A fisherman blamed the attack on the marine authorities for their alleged lack of response to reports in the last six months that an increasing number of Thai boats have been operating in Indonesian territorial waters.

The fisherman alleged that Indonesian Navy officials based in Sabang had protected the Thai fishermen.

The fisherman quoted a Navy official as saying that "the Thai fishermen have the permit to fish around the waters of the exclusive economic zone."

But the fisherman said that "in fact, they fish only two miles from the coast, using trawls, which have been banned by the government," the fisherman said.

Sabang Navy Base Commander Lieutenant Colonel Azmi Idris told AFP that the Thai fishermen were cooperating with the navy.

However, Indonesian marine patrols last month nabbed Thai fishing crews for alleged illegal fishing about 360 kilometers (223 miles) off Aceh.

The Thai fishermen held three Indonesian policemen hostage for five hours following the arrest of their colleagues.

They demanded to exchange the three police officers for the 16 Thai fishing boat crews the police had arrested earlier.

The three policemen were released after an exchange of fire between the Thai fishermen and a police team specially deployed to free the hostages.

Reports also said that Indonesian fishermen in Aceh had been repeatedly shot at by Thai fishing boats armed with modern fishing equipment.

Government Bars All Visits With Timor Rebel

BK0801123694 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 8 Jan 94

[Text] The Indonesian Government has temporarily barred anyone from visiting East Timor rebel leader Xanana Gusmao in prison. The indefinite decision also applies to his relatives and officials of the International Committee of the Red Cross [ICRC]. Baharuddin Lopa, director general for corrections of the Justice Department, told reporters in Jakarta this afternoon that the decision was made because Xanana had discredited Indonesia's reputation in the international community by sending a letter to the Portuguese Government and the International Commission of Justice.

Baharuddin Lopa said the Indonesian Government was generous enough to allow Xanana's family and ICRC officials to see him without the presence of any Indonesian official. Xanana, however, had abused the generosity by smuggling out the letter.

According to Baharuddin Lopa, an agreement will automatically become null and void if either party violates it under international law. In the wake of the incident, the director general for corrections has instructed his subordinates to closely guard Xanana in case the rebel leader is again allowed to receive visitors.

Commission Vows To 'Uphold Human Rights'

BK0901095594 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 9 Jan 94

[Text] The National Human Rights Commission will do its best to uphold human rights in Indonesia. Speaking to reporters in Jakarta yesterday, Ali Said, chairman of the National Human Rights Commission, said the commission has its programs to implement, adding that the commission members will be grouped into five teams, which will travel to several provinces in Indonesia to introduce themselves and seek information on the human rights situations in their areas.

Meanwhile, speaking to reporters after his meeting with Ali Said, retired Portuguese general (Carlos Demero), chairman of the Indonesia-Portugal Friendship Association said he was enjoying freedom of travel and was able to meet anybody he wished during his stay in Indonesia. The Portuguese visitor said Indonesia is no different from other free countries in the world. He is scheduled to visit East Timor tomorrow and hold talks with Bishop Belo and several military commanders in the province.

Philippines

Trade Embargo Against South Africa Lifted

BK1001023094 Manila BUSINESS WORLD in English 5 Jan 94 p 10

[By Genevieve L. Soledad]

[Text] The Philippine Government has lifted all forms of trade restrictions against South Africa, the Department of Trade and Industry announced yesterday.

Trade and Industry Undersecretary Tomas I. Alcantara said the resumption of trade ties with South Africa will jack up the exchange of trade between the two countries to $200 million this year from the existing cap of $50 million.

He added that Filipino businessmen can also use South Africa as an entry point for exports to central African countries, adding that Filipino exporters can already go into oleochemicals, garments, electronics, and software.

South Africa can then ship in its exports of steel, coal, phosphate rock, and capital equipment.

Moreover, the lifting of the trade embargo would also mean the flow of South African investments into the country, said Mr. Alcantara. [passage omitted]

MILF To Help Capture Davao City Bombers

BK1001031094 Manila MANILA STANDARD in English 5 Jan 94 p 3

[By Beth Castillo]

[Excerpt] Cotabato City—The Moro Islamic Liberation Front (MILF) has offered its help to hunt the suspects in the recent bombing of a Catholic Cathedral and three mosques in Davao City which it said were a "machination" to bring Christians and Muslims at war.

This developed as Southern Command chief Major General Thelmo Cunanan endorsed an investigation of the relatives of the victims in the 26 December bombing of the cathedral to find out if they have knowledge in the "retaliatory" attacks on the mosques.

"Let us join together to identify (those involved) and bring them into the open to expose their evil agenda and let them answer their ungodly and barbaric acts," MILF spokesman Mohagher Iqbal said in a press statement on Tuesday.

But Iqbal warned the government to avoid "witchhunting as what had happened in the Buluan massacre," an incident that also almost sparked a Muslim-Christian conflict.

Iqbal was referring to the 13 December ambush-massacre in which 10 bus passengers were killed and 10 others wounded in Buluan, Maguindanao which the military blamed to a certain MILF Kumander [Commander] Ustadz Dua Mantio.

"Kumander Dua was made the sacrificial lamb for a crime he was never involved in," Iqbal said, adding that Dua was found innocent of the charges in an MILF initiated investigation.

Iqbal said the Davao City bombings were "befitting only to barbarians, ungodly and bloodthirsty" who "deserve the highest condemnation of every sane, upright and God-believing individual or group."

The MILF spokesman also appealed to the people of Davao City and nearby areas to "observe sobriety, patience and perseverance in the face of this machination to drive a wedge between our peoples."

In the same statement, Iqbal reaffirmed the MILF support to the on-going peace talks between its rival Moro National Liberation Front and the government, which he considered a hope leading to the implementation of the 1976 Tripoli Agreement.

"If any group cannot contribute to this forward move (peace talks), at least it must stop rocking the boat of peace and autonomy," Iqbal said.

Thailand

Officials Repeat Denial of Khmer Rouge Support

BK1001145394 Bangkok Army Television Channel 5 in Thai 1200 GMT 10 Jan 94

[Text] Commenting on the allegation that Thailand is supporting the Khmer Rouge in the fighting between the Cambodian Government and the Khmer Rouge faction, Foreign Minister Squadron Leader Prasong Sunsiri said this comment was made by people who are ignorant of the facts and that it is not constructive. He said Thailand has not supported the Khmer Rouge since the peace agreement was signed in Paris.

[Begin Prasong recording, in progress] ...not supporting any party. Our support for the tripartite faction was suspended when the peace agreement was signed in Paris. Those people at the local level in Cambodia who are responsible for such allegations should think about making more constructive comments. Thailand wants to see reconciliation among the Cambodian people so that national reconstruction can be achieved. Comments that are not constructive only cause misunderstanding. [end recording]

Touching on the Thai prime minister's upcoming visit to Cambodia, the foreign minister said they would discuss Thai-Cambodian relations with the Cambodian leaders.

Deputy Foreign Minister Surin Phitsuwan, meanwhile, granted an interview to reporters concerning the call made by Prince Norodom Sirivut, Cambodian deputy prime minister and foreign minister, for Thailand to clarify with Cambodia its position regarding the Khmer Rouge during the Thai prime minister's upcoming visit to Cambodia on Wednesday. Minister Surin said he did not think Thailand would make any clarifications, because the matter is over and Thailand's position is clear. Concerning the weapons arsenal, the deputy foreign minister admitted that Cambodia wanted the weapons left over in Thailand, but this is not the Thai Government's policy.

[Begin Surin recording, in progress] ...support from outside. Whatever happened inside Cambodia, we never interfered. We support and recognize only one government; that is, the elected government in Phnom Penh. Concerning the leakage of weapons, this could happen. But we will try to correct the situation. The Thai Government has a clear position and has never deviated from that policy. You can be sure of that. And I believe the world in general has a correct understanding of that issue. [end recording]

Defense Minister Receives Cambodian Counterpart

BK1001143494 Bangkok Army Television Channel 5 in Thai 1200 GMT 10 Jan 94

[Text] General Tea Chamrat, deputy defense minister of Cambodia [title as heard], called on Defense Minister General Wichit Sukmak at the Defense Ministry this morning. After the meeting, Wichit told reporters that they had discussed Cambodia's request for Thai assistance in national development. In particular, Cambodia wants Thai soldiers to provide agricultural training and assistance with military uniforms.

The two sides also discussed security along the border. The two sides agreed to cooperate in maintaining peace along the border.

Loggers Get Cambodian Government Extension

BK0901125794 Bangkok BANGKOK POST in English 9 Jan 94 p 2

[Excerpt] Thai businessmen involved in logging in Cambodia will have until March 31 to bring out their wood under the deadline extended by the Phnom Penh government, according to a report brought to the attention of state agencies last week.

Thai Government sources said the new deadline was discussed at a joint meeting of representatives of the Interior and the Foreign ministries, the National Security Council, the Army the Customs and Forestry departments and the Immigration Police.

The Foreign Ministry told the meeting that Cambodian Finance Minister Sam Rangsi had informed them that Phnom Penh had extended the deadline from December 31 to March 31.

The Interior Ministry asked the Foreign Ministry to confirm the new deadline to enable it to extend the opening of temporary border passes to allow importation of the wood.

The meeting agreed it would help Thailand if agencies involved were able to negotiate with Phnom Penh to extend new logging concessions to Thai businessmen after the deadline.

Thailand now needs 9.4 million cubic metres of wood annually. It has been importing three million cubic metres each year. [passage omitted]

Official Discusses Agency for Burmese Refugees

BK0801150494 Bangkok Radio Thailand Network in Thai 1200 GMT 8 Jan 94

[Text] Khachatphai Burutphat, deputy secretary general of the National Security Council [NSC], talks about the problem of Burmese refugees fleeing the danger of war into Thailand's border areas since 1984. He says there are about 50,000 of them in Tak Province, 10,000 in Kanchanaburi Province, and several thousands in Mae Hong Son and Prachuap Khirikhan Provinces. Under the original plan, these people will be sent back to Burma once the situation has improved and there is no fighting. But they have not been sent back yet because they claim that the situation in Burma is never safe for them.

The NSC deputy secretary general said these Burmese refugees have been here for more than 10 years now. They received help from seven or eight private organizations, the so-called NGO [preceding word in English], which have been allowed to carry out operations without strict control by Thai authorities. Some of those NGO officials are involved in political activities with the refugees. Certain organizations used Thailand, which has diplomatic relations with Burma, as a transit point for certain leaders of the resistance ethnic minority groups to leave for a third country where they can launch resistance activities against the Burmese Government. Such an act could affect relations between Thailand and Burma as well as security along the Thai border.

In order to promptly control these refugees, Khachatphai Burutphat said that concerned authorities would form an apparatus in order to oversee these people. At the beginning, existing officials will be told to take strict action against them. The new agency to be set up will deal with these refugees based on humanitarian principles, but it will not permit them to engage in any kind of activities in violation of Thai law or activities which will affect security along the Thai-Burmese border.

Liu Huaqing-Led PRC Military Delegation Visits

Received by Prime Minister

BK0901132794 Bangkok XIN ZHONG YUAN RIBAO in Chinese 7 Jan 94 p 16

[Text] A Chinese military delegation led by General Liu Huaqing, vice chairman of the Chinese Central Military Commission, arrived in Bangkok yesterday for a six-day goodwill visit to Thailand at the invitation of the Thai Supreme Command.

At 1647 yesterday, his majesty the king granted an audience to Gen. Liu Huaqing, who was accompanied by Supreme Commander Air Chief Marshal Woranat Aphichari, at the grand place.

At 1700, Prime Minister Chuan Likphai received Gen. Liu Huaqing and his entourage at Government House.

During the talks, Gen. Liu Huaqing thanked the prime minister and the Supreme Command for the warm reception accorded to his delegation. He felt greatly honored by an audience with his majesty the king.

Gen. Liu Huaqing said that his delegation's visit to Thailand is aimed at promoting friendly relations between the Thai and Chinese peoples. He stressed that the friendship between the Thai and Chinese peoples is fraternal.

Gen. Liu Huaqing also praised Thailand's rapid economic development. China is devoting itself to construction in all fields and is giving special attention to economic reform.

Gen. Liu Huaqing stressed that China's military buildup is aimed at self-defense. China will never seek hegemony. Like Thailand, China hopes to see peace and stability in the Asia-Pacific region. On the occasion, he also conveyed Chinese Prime Minister Li Peng's best regards to Prime Minister Chuan.

Prime Minister Chuan welcomed the visit of Gen. Liu Huaqing and his delegation to Thailand. He said that the Chinese military leader's visit to Thailand will further promote relations between Thailand and China, especially closer military contacts.

Prime Minister Chuan praised the achievements in China's construction. He said that China has experience and capability in producing weapons. Thailand still needs to buy weapons from China. He said that he had visited the Shanghai Zhonghua Shipyard to observe the construction of Thai ships during his recent visit to China. Chuan praised China for playing a vital role in maintaining peace and stability in the Asia-Pacific region, especially its contribution to the restoration of peace in Cambodia. It was commendable that China also achieved the fastest economic growth rate in the world last year.

After the talks, Prime Minister Chuan conferred the Order of the Knight, First Class, on Gen. Liu Huaqing for his important contributions to the friendly relations between the armed forces and peoples of the two countries.

Supreme Commander on Weapons Purchase

BK0901132394 Bangkok ZHONG HUA RIBAO in Chinese 8 Jan 94 p 8

[Text] General Liu Huaqing, vice chairman of the Chinese Central Military Commission, paid a courtesy call on Supreme Commander Air Chief Marshal [ACM] Woranat Aphichari at the Supreme Command Headquarters yesterday. The two sides also held cordial talks.

After the meeting, ACM Woranat briefed correspondents on the results of his talks with Liu Huaqing. He said that Liu Huaqing had told him that China is willing to sell weapons to Thailand. On this issue, ACM Woranat told the Chinese side that the Thai military units have to stick to their plans when it comes to procuring any weapons and cannot buy weapons at will. Warships ordered by the Navy are now under construction in China.

ACM Woranat also said that Thailand has no policy of setting up refugee holding centers along the border. Any rumors regarding such a matter are untrue.

Vietnam

Do Muoi Receives U.S. Senate Delegation

BK0901112894 Hanoi Voice of Vietnam in English 1000 GMT 9 Jan 94

[Text] During a reception given in Hanoi to the 32-member U.S. Senate delegation led by Senator Johnston, Vietnamese party General Secretary Do Muoi wished that the U.S. make a further effort to improve the relations between the two countries.

Meanwhile, Senator Johnston said that the relations between the two countries have reached an important point and nowadays the U.S. should choose either normalize of relations or maintaining its sanction against Vietnam. He said the normalization of the U.S.-Vietnamese relations in economic and cultural fields will not only be in the interests of the two peoples but also influence world and regional peace and stability.

A press conference was held in Hanoi on Sunday afternoon by U.S. Senator Johnston and his party. Senator Johnston commented that the Vietnamese government and people have been cooperative in most of the ways, and the way of the world cooperation is not by punishment and the punishment ought to be stopped and start a new chapter [sentence as heard]. He said there is a tremendous vitality and energy in Vietnam. He hoped that his party and himself will make further efforts to consolidate and develop the cooperative relations between the two countries.

Further on Meeting

BK0901153394 Hanoi VNA in English 1457 GMT 9 Jan 94

[Text] Hanoi VNA January 9—General Secretary of the Communist Party of Vietnam Central Committee Do Muoi received here yesterday a delegation of the Committee for Energy and Natural Resources of the U.S. Senate led by its chairman J. Bennett Johnston who arrived here yesterday morning.

During the reception, Senator J.B. Johnston thanked General Secretary Do Muoi and Vietnamese agencies for their hospitality and noted that his visit gave him fine impression on the land, people and economic situation in Vietnam.

Mr. Johnston expressed his satisfaction at the results of meetings between his delegation and Vietnamese agencies and said that when come back [as received] to his country, he would speak to the US people on Vietnam's goodwill and suggest president B. Clinton to lift economic embargo against Vietnam soon.

For his part, General Secretary Do Muoi expressed his hope that the results of the visit would contribute to promoting the normalization of relations between the two countries. On the MIA [Missing in Action] issue, he said that being prompted by humanitarian viewpoint and sympathies towards families of American servicemen who were missing in Vietnam war, the Vietnamese Government and people would do all what they can to, together with the US side, settle the MIA issue.

On this occasion, the general secretary asked the US guests to convey his new year greetings to the US president, Congress and people, and expressed his wish that the two countries would close the past in order to normalize the bilateral relations, and set up the relations of mutually beneficial cooperation in accordance with the common trend of the era and for the sake of peace and stability in the region and the world as a whole.

During its stay here, the delegation called on the MIA office in Hanoi, the museum of the Vietnam People's Army and the File Reserve Centre and some cultural and historical places. The delegation this afternoon met with the Vietnam Chamber of Commerce and Industry and arranged a press conference on the visit.

Later, the US guests left here for southern provinces of Vietnam.

Senators Hold News Conference

BK1001125594 Hanoi Voice of Vietnam in English 1000 GMT 10 Jan 94

[Text] A delegation of the U.S. Senate Energy and Natural Resources Commission [as heard] is on a visit to Vietnam. The delegation includes seven senators. While they were in Hanoi, six senators of the delegation met with Vietnamese and foreign press men. Following is the report about this press conference, held in Hanoi on Sunday:

At the press conference, all American senators welcomed the Vietnamese Government and people's goodwill in cooperation with the United States side to settle the MIA issue. They called on the U.S. President, Mr. Bill Clinton, to lift the economic sanctions against Vietnam and set up diplomatic relations with Vietnam. Senator Bennett Johnston, a Democrat from Louisiana who is chairman of the U.S. Senate Energy and Natural Resources Commission, said:

[Begin Johnston recording] It is very clear that the Vietnamese have been cooperative—most of the way if not all the way—and the way to reward cooperation is not by punishment. An embargo is punishment—it is a sanction—and the punishment ought to stop, and start a new chapter. [end recording]

Senator Johnston noted that as Vietnam has been very cooperative in the settlement of the MIA issue, the U.S. Administration should respond to this goodwill. The embargo should be lifted. He added that Washington should close the past and reconcile with Vietnam. It was in the interests of the families whose sons were reported missing during the war in Vietnam. He noted that there was no obstacle for President Clinton to lift the embargo.

For his part, Senator Mark Hatfield, a Republican from Oregon, noted that the lifting of the embargo and trading with Vietnam would promote a true sense of the settlement of the MIA issue, which is the most concerned issue of Americans.

On impressions of his visit to Vietnam, Senator Bennett Johnston said:

[Begin Johnston recording] There is tremendous vitality and energy in this country. That is the first thing you notice—activity everywhere; entrepreneurship everywhere. It's the kind of thing you saw in China a few years ago, and of course China is now an economic miracle of Asia. I would expect that economic miracle to take place here. The second impression is the friendliness of the Vietnamese people toward us—toward Americans; toward the United States. You can't hide that sort of thing and you can't fake it. And that came through very clear. [end recording]

Central Committee Send Condolences to Laos

BK1001142794 Hanoi VNA in English 1421 GMT 10 Jan 94

[Text] Hanoi VNA Jan 10—The Central Committee of the Communist Party of Vietnam has sent a message of condolences to its Lao counterpart on the demise of Phoumi Vongvichit, advisor to the Central Committee of the Lao People's Revolutionary Party (LPRP), former Politburo member of the LPRP Central Committee, and former acting president of Laos, former deputy prime minister and minister of education and former president of the Lao Front for National Construction.

"Comrade Phoumi Vongvichit is an outstanding leader of the Lao party and state, and a staunch fighter who strived much for national independence and the people's happiness. He was a close friend of the Vietnamese people and made many precious contributions to the consolidation and development of the special friendship and solidarity between the two countries", the message says.

Nong Duc Manh Receives Israeli, Other Envoys

BK0801145294 Hanoi VNA in English 1417 GMT 8 Jan 94

[Text] Hanoi VNA Jan. 8—National Assembly Chairman Nong Duc Manh received here today on separate occasions ambassadors of Myanmar [Burma], Israel and Sudan who paid him courtesy visits.

Speaking to Myanmar's Ambassador U Aye, Chairman Nong Duc Manh expressed his wish for further development of the relations between Vietnam and Myanmar.

Talking with the first Israel's ambassador to Vietnam Mr. David Matnai, the chairman hoped that the ambassador would contribute to the strengthening of the friendship, cooperation and mutual understanding between the two peoples.

Chairman Nong Duc Manh also expressed his belief that the Sudanese ambassador, Mr. Salih Abdu Salih Mashamoun, would contribute to the expansion of the cooperative and friendly relations between Vietnam and Sudan.

General Dao Dinh Luyen Views Corps Readiness

BK1001051594 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 6 Jan 94

[Text] From 4-5 January, Senior Lieutenant General Dao Dinh Luyen, member of the CPV Central Committee, deputy minister of National Defense, and general chief of staff of the Vietnam People's Army, together with many cadres from the General Staff Department, visited Huong Giang Military Corps.

After listening to the military corps commander's report on corps activities, the comrade general chief of staff inspected troop management and weapons and military equipment maintenance at the Ben Hai Artillery Group, the X-73 Air Defense Group, the H-03 Tank Group, the Medical Group No. 43, and the B-25 Infantry Division.

All the units fulfilled well the tasks assigned to them, especially in overcoming restraints and in the development of the maintenance of weapons and equipment, and in deterioration prevention; observing military formality and discipline; and living and working according to plan and order. There has been much progress and discipline violations have been reduced by 30 percent. One unit spent 290 million dong from their own sources to upgrade their base, training area, and the attire and manners of the unit. Positive results have been recorded in the campaign launched by the B-25 Infantry Division to promote three beauties: beautiful formality and attitude, beautiful base, and beautiful army-people relations.

Senior Lieutenant General Dao Dinh Luyen reminded the cadres of all units to develop general and comprehensive measures, to analyze achievements and bring about ever higher progress.

Prime Minister Issues Timber Export Order

BK0801155094 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 Jan 94

[Text] On 29 December 1993, the prime minister issued a decision on the exportation of timber and forestry products. The decision contains the following main points:

—Timber products including raw (?and processed) timber and forestry products entitled to export must include complete products, which are processed in accordance with required technical standards.

—The names, categories, shapes, and measurements of these products are defined in the list attached to this decision.

—To export these products, exporters must provide the correct names of products, their unit quantities, nature, measurements, qualities, and unit prices. They must also provide pictures of products or product samples. As for those products with complex shapes, there must be descriptive color photographs.

—All export contracts and attached photographs should be original ones with signatures and seals of the sellers and the signatures and seals, if any, of the buyers.

The decision also sets forth a number of measures to deal with the exportation of timber and forestry products other than those cited in the attached list.

Le Duc Anh Visits Ninh Binh, Phat Diem Diocese

BK0801144494 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 Jan 94

[Excerpts] President Le Duc Anh paid a visit to Ninh Binh Province on 5 and 6 January. He discussed a number of socioeconomic problems in the province with local officials. [passage omitted]

Catholic bishops and priests of Phat Diem Diocese expressed their honor to welcome the president during his visit in the district and at the Papal Nuncio Office. They pledged with the president that they would increase their efforts to better their mundane and celestial activities and to develop the traditional unity between Catholics and non-Catholics in order to contribute to building the country.

Pham The Duyet Discusses Social Priorites

BK1001131794 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 9 Jan 94

[Text] The Hanoi Labor, War Invalids, and Social Welfare Agency met on 7 January to evaluate its work performance for 1993 and initiate its tasks for 1994. Attending the function were Comrade Pham The Duyet, member of the Political Bureau and secretary of the Hanoi party committee, and representatives of the Ministry of Labor, War Invalids, and Social Welfare and other concerned sectors.

In 1993, the Hanoi Labor, War Invalids, and Social Welfare Agency patterned its action program after the city's political tasks and 10 fundamental orientations. Thanks to well-defined guidelines and positive steps, the agency gave advice to local party committee echelons and administrative organs on ways to ensure the positive implementation of labor, war invalid, and social welfare policies. Satisfactory steps have been taken to generate jobs. More than 20 billion dong has been drawn from different public funds to create jobs for 33,500 unemployed people. A total of 181 households with 345 working people have been sent to various new economic zones.

Due effort has been made to look after the well-being of war invalids and survivors of fallen combatants. Altogether, 91 houses have been built and 4,265 savings accounts have been opened for distribution to families that rendered meritorious service to the revolution. Furthermore, 560 seriously ill soldiers and 60 parents with two or more children listed as fallen combatants have undergone treatment or been admitted to nursing homes. The agency has also made extra efforts to educate and provide vocational training to drug addicts and prostitutes.

In 1994, the agency will work out a program to eliminate hunger and reduce poverty. It is expected that by 1995, no family in the city will be affected by hunger.

Land Transferred to Farmers in 47 Provinces

BK0801143094 Hanoi VNA in English 1415 GMT 8 Jan 94

[Text] Hanoi VNA Jan. 8—In 1993 nearly 1.5 million of land tenure certificates were granted to farmer households in 47 (out of 52) provinces and cities in Vietnam.

The area of land whose ownership was transferred from agricultural collectives to households or individuals accounted for only close to 14 per cent of the plan.

The transfer of land ownership (mainly land for agricultural production) was carried [out] in more than 1,330,000 communes in the 47 cities and provinces in accordance with the government's new land law aimed at encouraging agricultural production.

Assembly Issues Resolution on 1994 Tasks

BK0901082594 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Jan 94

[Resolution issued by Fourth Session of Ninth National Assembly]

[Text] In 1993 our economy continued to improve. All major economic targets were reached or overfulfilled. In an important step, the socioeconomic situation was put under control. Political stabilization was maintained. Our external relations were broadened. Vietnam's reputation in the world was heightened. The achievements recorded in 1993 and previous years created a momentum for the country to develop in the following years.

However, our economy still has many weaknesses. Many urgent cultural and social issues have not been solved in an efficient manner. The evil practices of waste, corruption, and smuggling is still prevalent. Order and discipline in economic and social management are still not firm enough.

Based on that situation and the new requirements, the National Assembly resolves that the main duties and targets for 1994 will be as follows:

1. Orientations and Duties for 1994 and Following Years: We must strengthen all recorded achievements, carry out the first step of industrialization and modernization, and grasp opportunities to accelerate our economic development rate in order to move our country on to a new developing stage. At the same time, we must make important cultural and social changes, intensify the fight against corruption and smuggling, maintain

political stabilization, broaden external relations, and protect our national independence, sovereignty, and integrity.

2. Main Targets in 1994: General domestic production will increase by eight percent. General industrial output and agricultural production will increase by 11 percent and four percent respectively. Food production will be 25 million tons. Exports will increase by 20 percent. The inflation rate must be below 10 percent. The rate of population growth must be lowered by 0.06 percent.

The National Assembly Resolution outlines the major duties and measures to be executed in 1994:

1. The Economy:

A. Agriculture, forestry, and aquaculture must be comprehensively developed together with the development of their respective processing industries. All production, business, and service activities must be accelerated in a diversified manner in cities and rural areas.

In 1994 we must carry out the granting of land as regulated by the law. External economic activities must be intensified, especially the export sector. We have to replace imported products with those that can be produced locally; we have to limit the import of nonessential goods, and efficiently protect local production. We must restore, upgrade, and construct our material and social infrastructure and selectively build some heavy industrial establishments in key sectors.

B. We must practice thrift in production and consumption to save money for development investment and improve the productivity, quality, and efficiency of our business and production. We have to increase our accumulated savings for future investment and promulgate, amend, or supplement mechanisms for efficient mobilization and use of capital resources. We must quickly and satisfactorily provide funds from the state budget for the implementation of approved planning and reform the infrastructure management to prevent negativism and waste.

We must fully exploit all our saving capacity for development investment in all economic sectors. In macromanagement, we have to create favorable legal conditions to enable people to invest their money in business and eliminate administrative red tape and embarrassing actions which may discourage investors.

We must implement policies to strongly encourage foreign investment and set up mechanisms that clearly define responsibility regarding foreign loan applications and repayment, ensure good use of foreign loans, and avoid heavy debts for subsequent years.

We must immediately form economic courts according to the stipulations of the revised and amended Law on the Organization of People's Courts and issue relating legal documents—especially legal documents dealing with the implementation of the Law on Business Bankruptcy and the Regulation on Court Procedures of Economic Cases—to ensure the early operation of economic courts.

C. We must continue to reform the national financial policy and banking system and set up and develop a capital market and share holding companies, gradually introducing shares, credit notes, and bonds to create the requisite basis for the establishment of stock markets to meet the increasing demand for the movement of capital and use of the economy. We have to amend and supplement mechanisms and policies to ensure strict implementation of the guidelines on practicing thrift in government offices, army, public security forces, mass organizations, and business enterprises for more development investment.

D. We must continue to strengthen and build efficient state-run economic units in key areas and sectors so that they can shoulder their leading role in the national economy. We have to strengthen and improve the state trading sector and firmly control the import- export of necessary materials. We also have to firmly hold the wholesale service and maintain a necessary part in the retail service so that the state trading service can work together with other economic sectors to accelerate production development and protect the benefits of the producers and consumers.

We must fundamentally reform the organization and management mechanism of state-run economic enterprises and introduce a shareholding system for suitable businesses to attract more capital resources and create more of a driving force to prevent negativism and improve business operations. We will gradually apply firm steps to share business profits according to basic salaries and sell a percentage of shares with concessional conditions to officers and workers working directly at the state enterprises. We will sell shares and bonds of some state-run enterprises to other economic sectors and to the public on a experimental basis. We must perfect all contractual forms used in state enterprises.

On the basis of equitization, it is necessary to organize administrative councils and adopt other suitable organizational forms to effectively manage the production and business activities of enteprises.

We should undertake the setting up of large trading consortiums capable of competing in domestic and foreign markets; enhance the state management functions of integrated and specialized ministries and of the administration at various levels in order to ensure that the business of enterprises is autonomous; and advance toward gradually discarding the system of managing ministries and administrative echelons as well as the discrimination between the central and local enterprises.

E. We must provide assistance and guidance for the renovation of cooperative economies, develop the dynamic role of cooperative members, and renovate and solidify and develop the network of local medical stations, especially in mountainous, remote, and not readily-accessible regions. We must be active in training locals to become medical cadres and speed up the promulgation of regulations that treat grassroot medical cadres adequately. An adequate budget for the treatment of malaria and leprosy must be guaranteed, and iodine salt for the grassroot level to treat goiter must be provided. Concerned provinces will be authorized to distribute free of charge iodine salt to poor people living in highland regions. Free medical consultation and treatment for poor people must be guaranteed, and the hospital management task must be strengthened so as to counter the degradation of hospitals. We must speed up the establishment of two advanced medical centers in Hanoi and Ho Chi Minh City, and try to develop the traditional ethic of the medical profession, that likens a good doctor to a tender mother.

E. We will form effective policies and measures to create more jobs for people of working age, especially for young people who have been trained, and for discharged soldiers. We will also motivate capital from various sources to develop production, business, and service activities in both urban and rural areas in order to attract and exploit labor. We must also continue the effective implementation of the program to eliminate hunger and reduce poverty, with special attention paid to regions suffering the most from natural disasters, highland and remote regions, or former resistance bases. The entitlements and living standards of those eligible for social security assistance must be guaranteed and improved. We must speed up the promulgation of a decree that stipulates rewards for people with meritorious deeds and implement effectively the new wage policy, correcting any unfair consequences in the process.

4. Regarding National Defense and Security:

We must motivate all the people and all the army in building an ever steadfast national defense mechanism and security for the people. Every contribution must be mobilized to create a favorable environment for socioeconomic development. All sectors and levels, all people and armed forces nationwide should be in a permanent state of high vigilance against the peace evolution plot. We must set up and carry out plans to safeguard our sovereignty and security on all national terrains, especially on the major localities; we must build up strong local defense regions in all levels of provinces, cities, districts, and other areas; and coordinate socioeconomic plans harmoniously with national defense and security ones, and vice versa. We must also create coordination between the armed forces and the mass movements in order to increase the protection of social order and safety as well as national defense bases, especially major localities. We must endeavor to improve the quality of the steadfast armed forces, which are upstanding, having excellent combat ability, good professionalism, formality, and discipline. We must also be active in production, exercising frugality, and participating in the fight against corruption, smuggling, and other social ills. We must strive to enhance the quality of selection criterion for youths joining the army; pay attention to building up the reserve force; guarantee the supply of military equipment; invest appropriately in the development of military production and business industries in 1994 and the coming years; bring about concrete progress in improving living standards in both the material and cultural life of the armed forces; and successfully mobilize support for the army from the people.

5. Regarding External Affairs:

Developing our past achievements, we must continue our independent, self-reliant, diversified, and multidirectional foreign policy; and we must expand friendly and cooperative relations in all aspects with our neigboring countries, Southeast Asian countries, Pacific Asian countries, and other countries as well as the international organizations. We must strive to create an ever more favorable international environment for our process of building and safeguarding our fatherland.

The National Assembly resolution reserves its last part for discussion of the improvement of leadership and management tasks, and heightening the effectiveness of the supervision, control and judiciary tasks. It stresses that we must exercise harmoniously all legal tools and all financial and monetary programs in order to effectively enhance the efficiency of macro-management in the economy, and to clearly determine the responsibilities and rights of administrative authorities at all levels, so as to ensure the centralization of the government on the one hand, and to develop the innovative role of localites on the other. We must also strive to overcome the decentralized and factional situation; speed up administrative reform; set up administrative law and administrative judiciary agencies; strengthen the tasks of inspection, control, and auditing; solidify law enforcement agencies; reorganize the state mechanism aiming at making it light and effective; reaffirm the role of managing ministries and separate the state management role from the business one; retrain the cadre contingent; and speed up the establishment of the public service award and the system of public liability of employees working in the state mechanism. We must also strive to enhance the efficiency of the supervisory role of the National Assembly, the National Assembly Standing Committee, the Nationalities Council and other committees, and the National Assembly deputies and delegations; we must strongly develop the efficiency of the judicial activities of the people's courts, and of the control activities of the people's organ of control on the tasks and measures approved by the National Assembly.

The National Assembly cordially urges all people, combatants countrywide, as well as fellow countrymen living overseas, to develop our solidarity tradition, heighten the spirit of self-reliance, and endeavor with our utmost effort to seize the opportunities and develop every potential of the country to successfully fulfill all the tasks of 1994, with the aim of building up a wealthy people, a strong country, and a fair and civilized society.

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